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NEWS SUMMARY

GENERAL

Human Rights visit to Sands

Two members of the European Commission on Human Rights are to visit Ulster MP Mr. Bobby Sands today, after talks with the Foreign Office in London.

The Commision sent the two men on the request of Mr. Sands's sister, who met the Irish Premier, Mr. Charles Haughey, earlier this week. It hopes to find whether Mr. Sands wants an investigation into his case. The newly elected MP for Fermanagh and South Tyrone is on the 56th day of a hunger strike at the Maze prison near Belfast. He is said to be close to death. Page 3

Embargo lifted

President Ronald Reagan lifted the embargo on U.S. sales of grain to the Soviet Union, imposed after Soviet troops entered Afghanistan in December 1979. Page 2

European policy

Britain is ready to support West Germany in a new drive to strengthen European foreign policy co-ordination, Foreign Secretary Lord Carrington said. Page 2

Saudis 'feudal'

Israel denounced Saudi Arabia as a feudal, untrustworthy state not fitted to receive the sophisticated aircraft being offered by the U.S. Page 2

Miami shooting

Alberto Sarmiento, a candidate for the Miami mayoral election, was shot dead at his home. He is the third Latin businessman to be killed in the Florida city since Tuesday.

Ugandan raid

Ugandan soldiers, retaliating to a guerrilla attack, killed 20 civilians and raped several women in Mukono, near Kampala, villagers said.

Dearest cities

Tokyo is the world's most expensive city, and London the dearest in Europe, according to a survey by a Swiss research body. With a base cost-of-living index of 100 for New Yorkq, Tokyo scored 160.4 and London 133.6.

Lotus banned

The twin-chassis Lotus 88 car was banned by the International Automobile Federation from all World Championship races, after a panel found it broke technical specifications.

Biggs back in Rio

Ronald Biggs, the train robber, freed after Barbados High Court quashed an extradition order, returned to his home in Rio de Janeiro.

Snowdrops

The Spring Flower Show at Harrogate, North Yorkshire, was abandoned after a marquee collapsed under the weight of snow. Wintry weather swept northern Britain and is expected to spread south.

U.S. time change

The U.S. moves from Standard Time to Daylight Time tomorrow, when all clocks will be advanced one hour, making the difference between New York Time and Greenwich Mean Time four hours.

Former editor dies

Mr. Donald Tyerman, editor of the Economist for nine years until 1965, died at his home in Suffolk, aged 73.

Briefly . . .

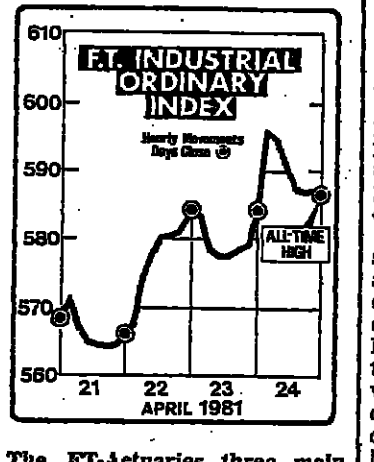
Prime Minister Mrs. Margaret Thatcher arrived in Doha, Qatar, on the final leg of her Gulf tour.

Twenty-five people were killed and 50 hurt when two local trains collided in Bombay.

BUSINESS

Equities peak; 1½c drop for sterling

● EQUITIES again reached records, though early gains were pared to leave the FT 30-share index up only 3 points to 587.3.



The FT-Actuaries three main indices' new peaks were: Industrial Group: 1.2 per cent up to 309.21; 500-share: 1.2 per cent up to 350.78; All-share: 1.2 per cent up to 331.87. Page 28

● GILTS were narrowly mixed. The Government Securities index put on 0.03 to 69.49. Page 28

● DOLLAR closed at DM 2.1775 (DM 2.1645, SwFr 1.9845 (SwFr 1.9740) and slipped to Y214.75 (Y215). Its trade-weighted index rose to 102.5 (102.1). Page 27

● STERLING was weaker overall. It lost 1½c to $2.1665, and closed at DM 4.72 (DM 4.7250), but improved to FFr 11.2250 (FFr 11.1925). Its trade-weighted index eased to 99.3 (99.6). Page 27

● GOLD closed up $4 at $495.5. Page 27

● WALL STREET was up 2.16 to 1012.43 near the close. Page 24

● BANK OF ENGLAND relaxed its proposed guidelines on foreign exchange risk exposure control by banks and other deposit-taking institutions operating in the UK. Back Page

● STOCK EXCHANGE Council found the senior partner and finance partner of the now-defunct stockjobber firm Wedd and Owen guilty of "gross misconduct." Back Page

● IG-METALL, West Germany's largest union, moved towards strike action as wage negotiations in the metal-working industry broke down. Back Page

● ALUMAX, the U.S.-Japan aluminium group, withdrew formally from the A$640m (£335m) smelter project at Lochinvar, New South Wales. Back Page

● VOSPER, the shipbuilding group, showed a pre-tax loss of £1.41m for the year to end October, compared with a £1.35m profit last time. Page 22

● METTOY, toy manufacturer, suffered a turnround for 1980, with a pre-tax loss of £3.48m compared with a £723,000 profit. Page 22

● AMALGAMATED Power Engineering, steam turbine and diesel engine maker, reported improved pre-tax profits of £1.9m (£1.55m) for 1980 and is raising £2.8m in a one-for-three rights issue. Page 22

● ELECTRA Investment Trust's attempt to raise money from individuals for investment in small unquoted companies has been cancelled. Page 22; Lex, Back Page

● ULTRAMAR, the oil and gas exploration and refining group, achieved pre-tax profits of £126.3m (£75.4m) for 1980. Page 23

● GASCO INVESTMENTS appears to be making the decisive move to win control of Saint Piran, the controversial tin mining and property group. Back Page

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas. 12¾pc 1992	£97⅞	+ ¼
Altifund Cap.	383	+ 14
Amal. Power	88	+ 8
BAT Inds.	320	+ 9
Bass	241	+ 13
Black (P.)	140	+ 9
Boot (H.)	190	+ 15
Clayton Son	68	+ 14
Foseco Minsep	231	+ 8
Glaxo	358	+ 10
Grant Brothers	147	+ 14
Guinness Peat	123	+ 6
Haden Carrier	358	+ 18
Hoover A	152	+ 7
ICI	306	+ 8
Ladbroke	321	+ 6
ML Holdings	350	+ 25
Metal Box	224	+ 6
NSS Newsagents	184	+ 17
Ofrex	100	+ 10
Ottoman Bank	£53	+ 7¼
Powell Duffryn	273	+ 13
Reed Intnl.	268	+ 9
Royal Bk. Scotland	192	+ 10
Smith (W. H.) A	183	+ 12
Tarmac	370	+ 6
Tunnel B	402	+ 12
Waddington (J.)	132	+ 18
Welkom	807	+ 37

FALLS

Amal. Metal	300	− 25
British. Aerospace	232	− 6
Flight Refuelling	363	− 12
Lon. Shop Prop.	128	− 6
Owen Owen	199	− 16
Plessey	325	− 9
Thorn EMI	405	− 10
Cent. Pacific Minls.	88	− 9

Pressure mounting for cut in UK price of North Sea crude

BY LORNE BARLING AND RAY DAFTER

THE BRITISH National Oil Corporation, the main trader in North Sea crudes, came under strong pressure yesterday to reduce prices in line with the general weakening of the world oil market.

The pressure is being applied by British Petroleum's refining and marketing operation following the recent fall in spot market prices and a reduction in premiums charged by some major oil exporters.

Indonesia's State-owned company, Pertamina, announced yesterday that it was cutting by 50 cents a barrel, to $1.50, the premium on large quantities of exported oil.

North Sea oil is free from such premiums, but is still among the most expensive crudes in the world. The reference price of oil from BP's Forties Field is $39.25 a barrel, though as a result of the worldwide imbalance of supply and demand it is possible to buy spot cargoes of North Sea crude at between $36 and $37 a barrel.

Mr. Ian Walker, chief executive and managing director of BP Oil which buys crude from another of the BP group, said in Birmingham yesterday that BNOC, as the main trader of North Sea crudes, should lower its prices so that other producers could follow suit.

"I think North Sea oil is now too high in price, but until BNOC sees the logic of this argument. BP cannot sell to us from the Forties Field at less than the $39.25 official Government price."

He said that BP Oil was in a worse position than that of other oil companies, since it was heavily reliant on the North Sea following the virtual shutdown of supplies from Iran.

"The pressures are building up. Funds are coming from the BP group to support us, which means reductions in investment elsewhere."

Recently it was estimated that BP Oil needed a 4p-a-gallon increase in price of petrol and other products to break even.

Mr. Walker said that a bigger price increase was now needed as a result of increased costs and improvement of the dollar against sterling.

But the market would not support a further increase in petrol prices at present.

With North Sea prices remaining at their high levels BP Oil could not recover its raw material costs in the market place.

"Clearly that cannot go on for ever," said Mr. Walker. The company had already shut down 25m tonnes of refining capacity at Medway, Kent, and it was likely that further reductions in production capacity would be necessary in view of the reduced demand.

Mr. Philip Shelbourne, chairman and chief executive of BNOC, said in Glasgow that there was no immediate prospect of a reduction in North Sea prices.

He was confident that North Sea oil was correctly priced, particularly as there were signs that the international economic recession was bottoming out. He conceded that if the recession continued and oil demand remained depressed, the corporation would have to reassess the pricing policy.

Continued on Back Page

BNOC profits quadrupled to £309m last year

BY MARK MEREDITH IN GLASGOW

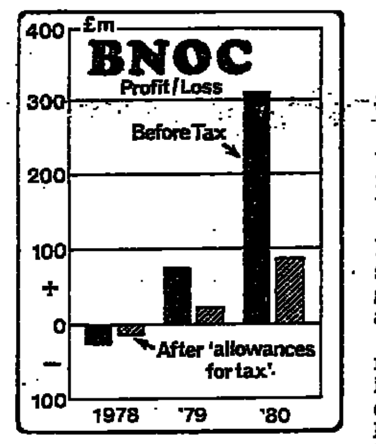
THE BRITISH National Oil Corporation yesterday announced quadrupled profits for 1980 to reach £309m, compared with £77m in 1979.

Mr. Philip Shelbourne, the chairman, presenting the State corporation's report for the year to last December, was sharply critical of Government taxation policy on North Sea oil production. BNOC was setting aside £221m to cover eventual tax demands.

The profitable return on oil production last year allowed the corporation to finance its own capital expenditure of £216m and reduce outstanding borrowing by £230m. This year's capital spending is expected to reach £300m.

The report reflected the independent stance which BNOC has assumed under the Conservative Government, which took away its privileged position over the major companies in development of North Sea oil.

BNOC reported total sales of £4.3bn last year, against £3.2bn in 1979.



As a major North Sea developer the corporation was involved in 45 per cent of the wells drilled on the UK Continental Shelf last year. It was the actual operator in three fields in development, exploration or production, and is involved with other companies in development of nine oilfields.

Its equity share of 1980 North Sea production reached 31m barrels, which was 5 per cent of production in the area. By the end of 1980 BNOC was producing 11,000 barrels of oil a day.

Mr. Shelbourne said in Glasgow that changes in structure and rates of taxation of North Sea oil had an adverse effect on industry.

It was not possible to work with a taxation system which could take up to 90 per cent of profits in some fields.

"This does not leave any room for risk in development," he said.

Oil companies this year face a supplementary petroleum duty as well as tightened rules governing petroleum revenue tax. They must also pay Corporation Tax. Revenue from the supplementary tax alone is expected to bring £1bn to the Government.

"Would you rather see oil brought ashore or see the tax spent on supporting local government?" Mr. Shelbourne asked.

BNOC welcomed the Government's depletion policy, which is designed to retard the pace of development slightly in the North Sea in the face of an international oil glut.

To the corporation this has meant delaying for about two years development as an operator of the Clyde Field to the west of the Ekofisk Field.

"It won't do any harm to delay this for a while," said Mr. Malcolm Ford, head of BNOC engineering exploration and research department.

Mr. Shelbourne said the general opinion was that "exploration in the North Sea will be increasingly difficult as it becomes necessary to develop smaller and more complicated fields in more remote areas and in deeper waters."

Lex, Back Page

World Bank in 'bulldog' issue

BY FRANCIS GHILES

THE WORLD BANK is returning to the UK sterling bond market for the first time in 10 years.

Official confirmation is expected on Monday that the World Bank will raise a £100m five-year bond issue in the domestic sterling market, the "bulldog" market. The issue is expected to be led by Baring Brothers.

This would be the fifth "bulldog" bond since this sector of the market was re-opened last July. Denmark, Sweden, Iceland and the Mexican state oil company Pemex have arranged bulldog issues, but the bond for the World Bank is by far the largest.

If all goes according to plan, the new World Bank issue should be put on sale on Thursday. This borrower enjoys sovereign status under Bank of England rules and the bond will be eligible for gilt edged commissions provided it is offered for sale to the public. The yield offered to investors on this issue is expected to be above the 12.94 per cent currently available on the 12 per cent 1986 gilt-edged stock but below the 13.53 per cent available on the five year Swedish bulldog which was arranged a few weeks ago.

Like other borrowers, including blue chip ones, the World Bank has found it more difficult and more expensive to raise funds in the international bond markets this year than previously.

Some recent bond issues, both in the Swiss Franc and Guilder foreign bond markets have been undersubscribed and earlier this week a planned DM 300m (£64.1m) foreign bond issue was halved because of the poor state of the German market.

The World Bank still needs to raise $1.5bn (£678.7m) before the end of June when its fiscal year ends. It has raised $6.6bn to date in the present financial year, most of it in Swiss Franc, Deutsche Mark and dollar denominated bonds. There were rumours last night that it might resort to a dollar bond after the completion of the bulldog issue, but these could not be confirmed.

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Mitterrand in close race with Giscard

By David White in Paris

OFFICIAL CAMPAIGNING for the French presidential election closed at mid-night last night with President Valery Giscard d'Estaing seeming to be closely pressed by M. Francois Mitterand the veteran socialist.

More than 35m voters are eligible to go to the polls tomorrow in the first round of the election, to decide on the two candidates who will dispute the presidency in two weeks.

Official campaigning closed after final meetings by President Giscard at Chamalières, near Clermont-Ferrand, where he used to be mayor, and M. Mitterrand at Toulouse.

Despite the close race predicted for the final round playoff, the Paris Bourse remained calm yesterday and share prices rose by an average of 0.6 per cent, sustained mainly by institutional and foreign investors.

This was in sharp contrast to the mood that preceded the 1978 parliamentary election, as investors reacted to the threat of widespread nationalisations under a Left-wing government.

The foreign exchange market was also quiet, although the franc continued to slip against the D-Mark. The Bank of France, which intervened to support the franc earlier in the week, was not reported to have taken any large-scale action yesterday.

On the gold market the Napoleon 20-franc coin, a favourite safe refuge, even slipped slightly.

The stock market surged forward in mid-week on the possibility that M. Jacques Chirac, the Gaullist candidate, might make up enough ground to keep M. Mitterrand out of the second round.

But although M. Chirac and M. Georges Marchais, the Communist, improved their position in the last weeks of campaiging, it will be a surprise if the run-off is not between M. Giscard and M. Mitterrand, who faced each other in the last election in 1974.

It is only the fourth time, since General de Gaulle's return to power in 1958, that the French will be voting for a President, and the first time for 16 years that a President in office will be standing for a second seven-year term.

Since the last election, the voting age has been reduced from 21 to 18, and the number of potential voters in France and overseas French territories has increased by 6m to 36.6m. Voting is voluntary, but abstention rates are generally low—

Continued on Back Page

Ford Nederland to close truck assembly plant

BY CHARLES BATCHELOR IN AMSTERDAM AND JOHN GRIFFITHS IN LONDON

FORD NEDERLAND, the Dutch arm of the Ford Motor Company, is to shut its Amsterdam truck assembly plant in September with the loss of 1,325 jobs.

The factory, which assembles the heavy Transcontinental truck and the Transit light van, made a loss of Fl 68m (£13m) last year and expects to lose a further Fl 60m in 1981.

The Amsterdam plant has been a thorn in Ford's side for several years, mainly because of its poor productivity. Absenteism is said by Ford management to have been averaging 25-28 per cent, far above the norm at UK and Continental plants.

Relocating its Transit production will present no problem to Ford since the principal manufacturing centres, Southampton and Genk in Belgium, are underutilised.

Several of Ford's nine Continental plants could take up output of the Transcontinental but the UK must rank high in the list of possible relocation sites.

With the exception of the Transcontinental, it is the European source for larger trucks over 3.5 tonnes. Trucks ranging from 3.5 tonnes to 28.5 tonnes are built only at Langley, Berkshire, where Ford has just spent £20m on a refit for its new Cargo truck range and where there is unused land.

Ford, which has been considering closing the Amsterdam plant for many months, also intends to spend 80 per cent of its planned £1bn investment in commercial vehicles during the next five years in the UK. So far, only £125m of this has been taken up by the new Cargo range.

The Transcontinental has been a disappointment to Ford, never achieving the sales success hoped for. Yet Ford has committed itself to a major attack on the heavy truck market, in which it is only fourth in Europe, behind Daimler Benz, Iveco and Renault. It is to be expected, therefore, that the new site chosen will also be the subject of investment in the Transcontinental's successor.

Ford's Amsterdam factory, which was opened in 1931, assembles Transit from component kits supplied from Southampton and Genk. The Transcontinental has 95 per cent of its parts bought in from outside the group, but the 5 per cent Ford input comes partly from Langley.

The factory is on half time working producing an average of three Transcontinentals and 25 Transits a day. Capacity use has fallen to only 23 per cent.

The abolition of import duties in Europe under EEC and international trade agreements removed the need for local assembly plants and those in Antwerp and Copenhagen were shut during the 1960s, Ford said. Amsterdam was kept open assembling a variety of cars and trucks and was chosen in 1975 as the sole assembly point for the transcontinental. Plans to devote production capacity at Amsterdam solely to the Transcontinental had to be dropped after the first oil crisis depressed truck demand. Transcontinental sales represent only 20 per cent of production capacity.

Losses on the production side totalled Fl.307m in 1969 to 1980, slightly more than the profits of Fl.300m made on car sales and other activities. Ford's loss of market share in the Netherlands as a result of Japanese imports over the past year or so has meant production losses have no longer been covered by profits elsewhere.

In 1980 the sales side made a loss of Fl.24m alongside the production loss of 42m. This year the sales operation expects to break even while the production loss will rise to Fl.60m.

Ford has considered a number of alternatives, including the assembly of other models and the manufacture of components in an effort to keep the factory open, but none would have been profitable. Ford Nederland applied to the Dutch Government for Fl.192m of aid, to allow the assembly of heaters for the Ford Group in Europe. This request was turned down as the heaters would have cost more than those bought in from outside suppliers.

Ford Nederland became technically insolvement in the last quarter of 1980 but has been helped by a $15m loan from Ford Motor Company.

Opposition to the proposed closure can be expected from the unions and from the works council, which has the right to be consulted. Metal Workers Union representatives from West Germany, Britain, Belgium and the Netherlands met in the Netherlands earlier this week to discuss how to prevent the closure

Ford workers reject quality plan, Page 3

£ in New York

	April 23	Previous
Spot	2.1710-1.730	2.1805-1820
1 month	0.63-0.70 pm	0.50-1.57 pm
3 months	2.15-2.25 pm	2.15-2.25 pm
12 months	6.70-6.90 pm	6.70-6.90 pm

Britain to back EEC foreign policy drive

BY JONATHAN CARR IN BONN

Britain is ready to support West Germany in a new drive to strengthen European foreign policy co-ordination, and will use its chairmanship of the EEC Council in the second half of this year to help achieve this.

This emerged in a speech in Stuttgart last night by Britain's Foreign Secretary, Lord Carrington, following three days of talks with West Germany's Chancellor Helmut Schmidt and the Foreign Minister, Herr Hans Dietrich Genscher.

Lord Carrington did not go so far as to endorse Herr Genscher's public suggestion in January that a new "treaty on European union" be drawn up, covering development of a common foreign policy and a co-ordinated security policy.

But he did make it clear that he and Herr Genscher were at one in seeking a new political impulse in the EEC, and expressed hope that the Foreign Ministers of the Ten could soon agree that "the time has come for Europe to take another important step forward."

Neither Minister is spelling out publicly at present just what this step might entail—partly because sensitive questions of national sovereignty might be involved and it is felt better not to raise them during a French election campaign.

But both believe that the Afghanistan crisis showed—*not for the first time*—that Europe is ill-equipped to respond quickly to a foreign policy challenge and that this must be corrected.

Lord Carrington sees part of the answer in overhauling existing ad hoc arrangements for European political co-operation and in devising arrangements for holding speedy high-level meetings (within 48 hours) in times of crisis.

Herr Genscher wants to go beyond this, seeking a way to make clear to a broad public that European unity is a political necessity, not just, as he puts it, a question of farm reform and market regulations.

Hence his original proposal for a new treaty—a scheme which he is known to be ready to scale down in favour simply of a formal document on the lines of the "final act" of the European Security Conference in Helsinki.

Such a document would not be exposed to the problems of ratification in the parliaments of the member states, and might therefore, it is thought, be more palatable to the British and French, in particular.

This and other broad issues of European policy will soon be discussed at a day-long meeting between Herr Schmidt, Herr Genscher and other senior Ministers.

Lord Carrington: Strong support

Tax plan threat to Swedish Government

By William Dullforce in Stockholm

SWEDEN'S three-part non-Socialist Government could break apart next week over tax proposals.

Prime Minister Thorbjorn Falldin centre party and the Liberals yesterday reached agreement on a draft tax reform programme with the Social Democrat opposition.

The moderates (Conservatives), the largest of the coalition parties, have rejected the programme.

In February, the Government undertook to work out a new tax system which would reduce income tax rates in three annual stages starting in January, 1982.

The Government has a majority of only one in the Riksdag (Parliament). Mr. Falldin opened negotiations with Mr. Olof Palme, the opposition leader, in order to obtain as broad parliamentary backing as possible for the tax changes.

Yesterday he and Mr. Ola Ullsten, Liberal leader, accepted a programme which incorporates many opposition wishes.

It would postpone the changes until 1983, curb the tax deductions taxpayers can make for interest paid on loans and either introduce a production factor tax on businesses or raise employers' payroll charges.

Mr. Gosta Bohman, Economy Minister and Moderate party leader, has been the main proponent of tax cuts. Opinion among the Moderates is strongly against delay and compromise.

The coalition parties' parliamentary groups will meet on Tuesday. The collapse of the Government could not be excluded, Mr. Falldin said yesterday.

Reagan lifts grain embargo on Soviet Union

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT REAGAN yesterday lifted the embargo on the sale of grain to the Soviet Union imposed 15 months ago by President Carter after the Russian invasion of Afghanistan.

Mr. Reagan said he was taking this action—which fulfils a campaign pledge he made to American farmers last year—because he was sure that it would not be misinterpreted by the Soviet Union and the world as weakness.

This might have been the case, he said in a White House statement, before his Administration's policies had been made clear.

"The U.S. remains strongly opposed" to the Russian occupation of Afghanistan, and will react vigorously to Russian military expansion anywhere else.

The President's move has been long awaited, and may bring to an end friction over the grain issue inside the Administration, between the Government, Congress and the farmers, and also between the U.S. and its allies.

In January, 1980, President Carter limited U.S. grain sales to the Soviet Union to the 8m tonnes annual maximum provided for in the two countries bilateral five-year agreement.

This denied Moscow some 17m extra tonnes it had sought to buy following disastrous harvests in 1979. An end to the partial embargo could pave the way for negotiations to renew the U.S.-Soviet grain agreement which expires in September.

Washington put strong pressure on its allies and follow grain-exporting countries not to undercut the U.S. move by selling more to the Soviet Union. Argentina paid no heed and vastly increased its sales to Moscow.

But the European Community, despite reluctance from France, its biggest grain producer, adhered to U.S. wishes.

U.S. farmers have strongly urged an end to the embargo, on the grounds that it depressed prices and destroyed their traditional market pattern.

Sarkis aims to extend ceasefire

BY IHSAN HIJAZI IN BEIRUT

RELATIVE CALM after the latest Lebanese ceasefire has gained time for President Elias Sarkis and his Government to strive for a more stable peace, *but so far no solution is in sight.*

Sporadic shelling and sniping across the green line between Beirut's Moslem and Christian sectors have been described as minor violations of the truce, which came into force on Wednesday night.

Artillery exchanges have also occurred in and around the mainly Christian town of Zahle, 30 miles east of the capital. The violence coincided with negotiations between Zahle's leaders, including the governor, Mr. Henry Lahhoud, and commanders of the all-Syrian Arab Deterrent Force surrounding the town.

Damascus is reported to have informed President Sarkis that it will accept nothing less than the withdrawal of Christian militiamen from Zahle. The Phalange Party, which controls the militias there, has refused to agree to this, because, its leaders say, it would be tantamount to capitulation. If the issue is not resolved quickly the brittle ceasefire is unlikely to last.

Syria yesterday warned Israel against interference in Lebanon. The Government newspaper, Tichrin, said that any Israeli action under the pretext of protecting the Christians would be met with firm counter action from the 22,000 troops of the Arab Deterrent Force.

The newspaper added that Syria was running out of patience. The state-controlled Damascus Press earlier urged President Sarkis to give the deterrent force the go-ahead to suppress the right-wing militias.

Israel denounces Saudis as 'feudal and unreliable'

BY OUR TEL AVIV CORRESPONDENT

ISRAEL has denounced Saudi Arabia as "a feudal, untrustworthy state" not fitted to receive the ultra-sophisticated aircraft being offered by the U.S.

The attack was made yesterday in a statement issued by the office of the Israeli military spokesman. It was the second broadside fired by Israel in what looks like developing into a prolonged battle with the Reagan Administration.

The statement said that in Saudi hands the advanced warning and control system aircraft (AWACS) would be able to lay bare Israel's defences by monitoring all movements of aircraft and any substantial deployment of armour.

AP-DJ reports from Washington: U.S. officials said yesterday that 410 civilian technicians and 30 air force personnel would be sent to Saudi Arabia once deployment of the five AWACS began.

Haughey trails opposition

BY STEWART DALBY IN DUBLIN

IRELAND'S ruling Fianna Fail Party led by Mr. Charles Haughey is trailing the combined opposition parties according to the latest opinion poll conducted by the Irish Times and Irish Marketing Survey.

The poll shows the opposition coalition (Fina Gael and Labour) to be well ahead of the Government.

Mr. Haughey is expected to call a general election at any moment. The most favoured dates are May 21 or May 28.

According to the Irish Times poll, Fianna Fail scored 37 per cent, Fina Gael, the main opposition party, 34 per cent, Labour 11 per cent, others 5 per cent, and 14 per cent were undecided.

A similar picture emerged over voters' preferences for Prime Minister. Mr. Haughey took 38 per cent of the vote and Dr. Garret FitzGerald, the Fina Gael leader, 48 per cent, with 14 per cent undecided.

Turkish trials underway

Thirty-four Turkish politicians, including a former Deputy Prime Minister and 10 Cabinet Ministers, went on trial before a military tribunal yesterday on charges of conspiring to set up a religious state, *writes Metin Munir in Ankara.*

Canada interest rates

Canadian interest rates are at their highest in history, *writes Victor Mackie in Ottawa.* The Bank of Canada has increased its prime lending rate to 17.4 per cent, prompting Opposition MPs to call for the resignation of Mr. Alan MacEachen, the Minister of Finance.

Suzuki for UK talks

Japan's Prime Minister, Mr. Zenzo Suzuki, will hold talks with Britain's Prime Minister, Mrs. Margaret Thatcher, in London on June 17, agencies report. Mr. Suzuki begins a West European tour in West Germany on June 10, following a two-day summit with U.S. President Ronald Reagan in Washington on May 7 and 8.

Oil premium cut

Indonesia is cutting the premium on large quantities of its export oil by 50 U.S. cents a barrel, Reuter reports from Jakarta.

Mexico plans to continue creeping devaluation

BY WILLIAM CHISLETT IN MEXICO CITY

MEXICO intends to continue the present pace of the peso's creeping devaluation with a view to allowing it to fall against the dollar by 8-10 per cent over the year, according to senior officials. Since the beginning of the year the peso has depreciated by 2.55 per cent against the dollar.

Officials said yesterday that the Mexican currency would follow this gradual downward trend, which was made necessary by the wide gap between Mexican and U.S. inflation rates.

Mexico's inflation was 8 per cent in the first three months of 1981 and is running at an annual rate of 28 per cent compared with about 13 per cent in the U.S.

The new policy, introduced in January to avoid pressure building up in the longer term for another devaluation along the lines of the 45 per cent drop decided on in 1976, was being well received, the officials said. It had not sparked off increased capital flight.

A more determined effort would be made this year to control public expenditure. The very high level of spending, not all of it in productive areas, had been fuelling inflation. The Government overspent its budget by about 18 per cent last year.

The Government would now like to reduce annual inflation to 25 per cent from the 30 per cent of last year.

The Bank of Mexico has announced that the trade deficit for the first two months of 1981 was $550m (£255m), compared with $210m in the corresponding period last year, despite a 49.7 per cent increase in exports.

Internal demand is growing so quickly because of the oil-fuelled economic boom, that imports rose in the first two months of the year by almost 60 per cent. Exports totalled $3.16bn, mostly oil, and imports totalled $3.71bn, mainly capital goods and food.

Officials predict that this year's current account deficit will be about $7bn, compared with last year's $6.6bn.

Swiss banks criticised

By John Wicks in Zurich

THE SWISS Federal Banking Commission has criticised what it calls the neglect of "elementary banking tenets" in connection with forward silver contracts.

In its annual report, the Commission claims that some Swiss banks incurred considerable losses when precious metal prices slumped after the boom period between autumn 1979, and spring of last year.

Although banks had hardly engaged in speculative forward deals in silver on their own account, there had been an increase in transactions on behalf of clients "seized by the euphoric state of the market."

It was not always realised, the commission contends, that a bank entering futures deals with a broker was granting its client a loan.

Black 'rejection' surveys could embarrass Botha

BY QUENTIN PEEL IN JOHANNESBURG

A SERIES of surveys, which show widespread black rejection of South African Government policies, have been released after their existence was leaked to the Press.

Publication of the previously confidential reports, less than a week before polling day in the general election, could prove an embarrassment to Mr. P. W. Botha's ruling National Party, because they call in question some of the basic tenets of the party's apartheid policy.

They deal with the attitude of urban Africans towards the tribal homelands, the attitude of the Coloured (mixed race) population towards their political institutions, and the attitudes of the small Indian population.

A 1976 report on the attitudes of Africans towards their tribal homelands shows that 38 per cent denied they had any homeland at all. A further 17 per cent said they had never been to a homeland.

A second study says that widespread ignorance and apathy make firm conclusions difficult about political attitudes among the country's 2m Coloured people. There was wide support for the proposed new political dispensations, such as a Coloured parliament, but not among the better informed elite.

Zambia party reconciled

BY MICHAEL HOLMAN IN LUSAKA

SEVENTEEN leading Zambian trade unionists, including the chairman of the powerful Copperbelt Mineworkers' Union, have been readmitted to the ruling United National Independence Party in a move which may defuse one of Zambia's most serious domestic political disputes since independence.

The announcement, coming soon after Zambia's agreement with the International Monetary Fund on a three-year $1bn (£465m) programme, was made yesterday by Mr. Humphrey Mulemba, Secretary General of the party.

The unionists were expelled in mid-January following a protracted dispute with the party which at its peak caused an eight-day stoppage on the country's state-owned copper and cobalt mines, sources of 95 per cent of export earnings.

Polish Politburo meets as Suslov returns to Moscow

DAVID SATTER IN MOSCOW AND CHRIS BOBINSKI IN WARSAW

THE POLISH Communist Party Politburo met yesterday as Mr. Mikhail Suslov, number two to President Leonid Brezhnev in the Soviet Communist Party, returned to Moscow apparently having failed to persuade Polish communist leaders to put a brake on reforms within the Polish Communist Party.

Mr. Suslov, paid a surprise one-day visit to Warsaw on Thursday.

A communique issued by the Soviet news agency Tass yesterday contained no reference to agreement but said instead that the talks took place in a "cordial, party atmosphere"—a formulation with normally indicates frank criticism.

The full significance of Mr. Suslov's mission, the first by a Soviet leader to Warsaw since the beginning of Poland's labour crisis in August, will probably not be known until after next Wednesday's important meeting of the Polish party's Central Committee.

This meeting is due finally to fix a date for the next party congress and to accept a draft party programme. The party leadership will also have to present an account of the talks with Mr. Suslov.

The Polish-Soviet talks almost certainly concentrated on recent developments inside the Polish party. Since the end of last month, the movement for reform inside the party has gathered strength. The Polish party leadership had shown that it is ready to accept demands from the rank and file which would lead to far-reaching democratisation of election procedures and greater control by the grass roots over the leadership.

Another problem is that there are widespread demands for conservatives in the Politburo to be dismissed by the Central Committee.

It is widely assumed that Mr. Suslov went to Warsaw at short notice to press the Polish party to curtail the reform movement in its ranks and to retain pro-Soviet hardliners whose positions are threatened.

There was no indication in the Tass communique, however, that Mr. Suslov achieved anything significant in his talks with Mr. Stanislaw Kania, the Polish party leader, and other Polish officials.

The Tass communique said that Mr. Suslov, who is responsible for providing an ideological justification for Soviet policies, expressed solidarity with efforts by Polish leaders to "strengthen the party on the ideological basis of Marxism-Leninism."

This appeared to be a more qualified statement of support for the Polish Communists than that given by Mr. Brezhnev at the Polish-Soviet summit meeting on March 4, when he expressed confidence that the Polish Communists had "the capability and strength to change the course of events."

Solidarity and Government in new talks

By Christopher Bobinski in Warsaw

SOLIDARITY, Poland's independent trade union, has re-stated its commitment not to press for new wage increases and has urged the Government to freeze moves to sack excess labour until a general agreement has been negotiated with the union.

A meeting of the Solidarity national committee in Gdansk on Thursday confirmed that the union is ready to discuss a number of economic issues which the Government has put forward.

A new round of union-Government talks is due to start today. In a series of working group meetings, Solidarity will be putting forward its demands and the Government will seek the union's views on falling productivity, cutting waste in the economy, and increasing production of raw materials.

Today working groups are to meet on reforming the legal system to protect civil rights against official violations and on drawing up rules of behaviour for the union in its relations with unions abroad. On Monday another working group will begin talks on union demands for access to the media.

The union has dropped its demand that the talks should be broadcast in full and has agreed that there should merely be selective coverage. It is hoped to sum up progress in the working groups at a plenary meeting between the Government and the whole national committee around May 6.

Meanwhile, Solidarity has told the Government that the issue of unemployment and shifting labour from industry to the services and agriculture can only be discussed in the context of future economic plans which have not yet been presented by the Government.

The main areas expected to be affected are industry and the building sector which employ 6.2m people.

'Unaccustomed as we are to public speaking'

BY LESLIE COLITT IN BERLIN

"YOU SEE, this is what it's all about," a Polish journalist remarked in Gdansk last year at one of the early meetings of Solidarity's national consultative commission. Out on the floor delegates clashed and tempers flared—a heady experience for Poles, used to a diet of droning speeches from their Communist leaders.

The rest of Poland has taken the cue from Solidarity. No one is surprised when, as happened recently, a delegate to the Polish Sejm, the once-moribund parliament, rose and blamed the Government for the repeated clashes with Solidarity. In a Cracow restaurant, at the busiest time of day, ill-paid waitresses ignore diners while discussing Solidarity's wage proposals. Poland has become a nation of public speakers and avid listeners.

Thirty-five years of numbing political rhetoric by party apparatchiks was dissolved in laughter by Mr. Lech Walesa, leader of Solidarity, with a quip about a high government official with whom he had negotiated for days: "The only thing to his credit is that he speaks some Polish."

Henceforth, Poles will judge their Government and party leaders by Solidarity's standards.

The right to strike, the union's most powerful weapon won in the Gdansk agreement, has yet to be guaranteed by law and has been suspended for two months by the Government. Mr. Walesa and other union moderates have already decided to reduce strikes to a minimum, but the ban would not stop Solidarity striking if it felt threatened. Ordinary Poles appear to agree with Mr. Walesa that what is needed now is a cooling off period while the Government and Solidarity negotiate economic reforms.

The union's influential research centre has made it clear that Solidarity will not agree to support price rises for meat and other scarce commodities, a key element in solving Poland's economic problems, unless they are accompanied by social reforms. Among these are reduced censorship, an independent judiciary and greater access by non-party citizens to higher echelon government jobs, occupied until now by Communist Party members.

The third demand in the Gdansk agreement was for "freedom of speech, press and publication." Although a Bill to limit censorship has been introduced in the Sejm, Poles are already far better informed than other East Europeans about political developments in their own country.

Solidarity began the process last August, when the first crudely printed "strike information bulletins" were devoured by the people of Gdansk.

Months later, they queued patiently on the ground floor of Solidarity headquarters for the daily uncensored bulletin. In recent years, Poland's thriving clandestine press had been periodically informing Poles about the worsening state of the nation, but citizens were anxious to read Solidarity's views every day. Regional Solidarity organisations began issuing their own uncensored publications, and in many large factories the house organs began running Solidarity columns. Late last month, the first issue of Solidarnosc, the national weekly, appeared on the kiosks and was sold out within minutes.

Polish journalists have been clamouring for liberalisation, especially in television, which for the time being remains the medium most tightly controlled by the conservative block in the Central Committee. Millions of Polish viewers who watch the 7.30 evening news smile knowingly at the party-inspired items, and relish the pro-Solidarity man-in-the-street interviews, which manage to survive the censor's sharp gaze. And last Thursday, union leaders made their long-awaited television appearance to present Solidarity's line on legal reform and access to the media. The Government has at last conceded Solidarity's demand for regular television appearances.

Even the official Polish Government and Communist Party press is freer than in other Communist-ruled countries.

The party newspaper itself, Trybuna Ludu, has changed markedly in the past half year. Writing on the recent strike ban, the newspaper indicated that in future it would be better not to forbid strikes. Instead, the Government should deal with economic reform, "further democratisation of life," and the settlement of disputes by dialogue.

Polish journalists are eager to test the limits of censorship, and Moscow is watching closely. The Russians have already publicly criticised Warsaw television for airing Solidarity's views, and one can imagine the reaction to Mr. Walesa's recent television appearance in which he attacked the leadership for making concessions only under duress.

Solidarity unions in major Polish factories are now practising co-determination with management and are demonstrating a remarkable understanding for the directors' economic predicament.

Some Solidarity supporters see a danger in getting overly involved in co-management. Union representatives, for example, are proposing candidates for managerial posts and may be tempted to defend their choices even if they are found to have betrayed the trust placed in them.

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UK NEWS

LABOUR

Human rights officials may visit Sands

BY OUR BELFAST CORRESPONDENT

TWO MEMBERS of the European Commission on Human Rights are expected to visit Mr. Bobby Sands, MP who is on the 56th day of his hunger strike in the Maze prison near Belfast.

Two members of the Commission, Professor Carl Dorgaardof of Denmark, the acting president, and Professor Torkel Opsbal of Norway, had talks with Foreign Office officials in London yesterday

The Commission's involvement is at the request of Mr. Sands' sister, Mrs. Marcella Kelly who, with Mr. Sands' mother, met Mr. Charles Haughey, the Irish Premier, in Dublin on Tuesday night. She visited her brother yesterday and said that he was prepared to meet members of the Commission although he *had reservations* about the value of their intervention. He has asked that he be allowed to be accompanied by a fellow prisoner and two members of Provisional Sinn Fein during an interview with the commissioners.

The condition of Mr. Sands, recently elected MP for Fermanagh South Tyrone, is rapidly deteriorating. It is thought likely that the Commission would ask him to call off his protest while they examine the circumstances *surrounding the hunger strike.*

Mr. Sands is clearly not hopeful that an investigation might persuade the Government to grant the demands of Republican prisoners about the right to wear their own clothing and not to do prison work.

The Government feels that to grant these demands would amount to giving the prisoners the political status they are seeking.

The European Commission investigated the circumstances of the Maze protest last June. *Afterwards, it said the prisoners* were not entitled to political status but the Government could be more flexible about some prison conditions.

Mr. Owen Carron, Mr. Sands' election agent, was refused admission to the prison yester*day to see him. The Northern* Ireland Office said Mr. Sands had been allowed five visits since the election.

Cardinal Tomas O'Fiaich, the Roman Catholic Primate in Ireland, attacked those responsible for the murder of Mr. John Robinson, a *38-year-old* former part-time soldier in the Ulster Defence regiment who was shot near Armagh on Thursday night. "In the name of the Catholic community I call for the immediate cessation of these murderous acts," he said.

State 'should aid' nuclear plan opponents at inquiries

BY DAVID FISHLOCK, SCIENCE EDITOR

IT WAS the Government's duty to make sure that opponents of *its nuclear plans* had enough funds to contest the plans at public inquiries, Mr. Justice Parker told a London conference yesterday.

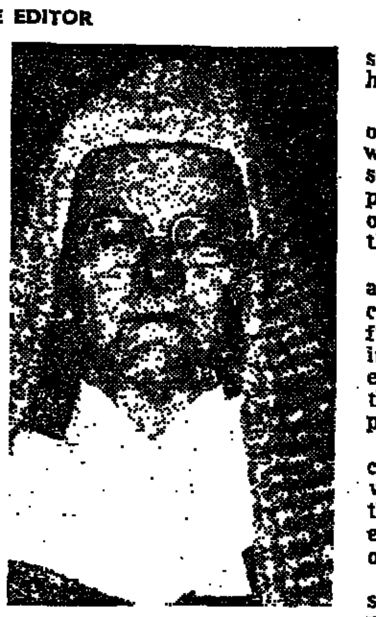
The judge, who was the inspector at the Windscale Public Inquiry in 1977, *said* that if the only way to an effective opposition was to provide funds, the Government must do so, to give the public the service it expected from a public inquiry.

He was speaking at a conference at Imperial College, South Kensington, on the legal and constitutional issues raised by commercial nuclear power.

Friends of the Earth, one of the main organisations, opposing the Windscale expansion, is say*ing that it may be unable* to afford to contest the Sizewell public inquiry planned for next year into proposals for Britain's first commercial pressurised water-reactor.

Opponents did not make it *easy for anyone wishing to fund* them, for the various organisations tended to quarrel among themselves about what and how to oppose, said Mr. Justice Parker.

Canada was in the forefront *with experiments in funding the* nuclear opposition, though one, in which the Canadian Government gave the tribunal itself the funds to allocate, was a "total *disaster.*"



Mr. JUSTICE PARKER

The latest idea was to provide an independent body with funds to dispense. This was arbitrary and might go wrong, "but at the moment it is the best I know of."

He warned against seeing nuclear public inquiries as something unique. They were simply inquiries into potentially hazardous industrial plant.

Nor was there an ideal type of inquiry. He saw no reason why there should not be a return some day to the type of local planning inquiry, lasting three or four days, which served for the first nuclear stations.

For the present he favoured a local, site-specific inquiry—"it concentrates the mind wonderfully"—of the adversarial kind in which witnesses were cross-examined by counsel. Only by this means were issues probed properly.

Scientists did not like being cross-examined by counsel. "It's very unpleasant if you're at the wrong end, but exceedingly efficient at getting to the guts of the problem."

He believed that the inquiry should be conducted by a lawyer, but only rarely by a judge.

A two-stage inquiry, proposed by some opponents of nuclear plans, would delay the process, and yet might permit *something* to slip through unnoticed.

It was unrealistic to expect a public inquiry to produce a result acceptable to both proponents and opponents. "But it can produce an inquiry accept*able during its course and for* so long thereafter as the report is not published."

Dispute threatens BPC rescue plan

BY ANDREW FISHER

MR. ROBERT MAXWELL'S £10m rescue plan for BPC, the former British Printing Corporation, was threatened yesterday by a last-minute dispute over retirement terms for workers at a North London plant which prints the Radio Times.

Lord Kearton, BPC's new chairman, told shareholders at *a meeting to approve the* survival plan that its implementation depended on settlement of the dispute.

"If it isn't settled by early next week," he said, "the survival plan will literally founder on the intransigence of one union." The problem centres on Mr. Maxwell's demand that workers over 65 agree to accept redundancy.

Through his family company, Pergamon Press, Mr. Maxwell is putting £10m into BPC, which is making a severe loss, to *bring* his stake up from nearly 30 per cent to nearly 77 per cent.

Without the dispute, the rescue proposals passed yesterday by shareholders would have taken effect at once. Instead, *they are awaiting the outcome* of the dispute, which is at the Park Royal plant at Waterlow, a BPC subsidiary, which also prints the Listener.

The trade union involved is SOGAT, the Society of Graphical *and Allied Trades, whose gen*eral secretary, Mr. Bill Keys, has endorsed the BPC rescue plan along with other print union leaders.

Yesterday, Mr. Keys said he "had a scene" on Thursday with Mr. Maxwell over the issue, which involves about 60 workers at the plant who are over 65, not all of them SOGAT members. More talks are scheduled for Tuesday, but Mr. Maxwell *was planning a further statement* last night.

Mr. Keys said: "Mr. Maxwell and I had a very strong disagreement." He said Mr. Maxwell had spoken to him on the telephone just before yesterday's *shareholders' meeting.*

He said his disagreement was more with the manner and speed of Mr. Maxwell's decision than with the principle that over-65s should be asked to go, since older workers were mainly willing to accept voluntary redundancy anyway.

Mr. Maxwell told the meeting he had every confidence that BPC would return to substantial profitability next year and dividends would be *resumed. "There's no alterna*tive to the survival plan," he said.

Earlier, Lord Kearton, former chairman of the Courtaulds textile group, told the meeting of the deadline for early next week *to resolve the dispute.*

"If it doesn't happen, then frankly that's the end of BPC."

Recovery on the way, Treasury chief claims

By John Hunt

THE UK ECONOMY is approaching a period of recovery "just as day follows night," Mr. Leon Brittan, Chief Secretary to the Treasury, told Teesside businessmen yesterday.

There were grounds for believing that industry would be able to retain the gains in productivity secured during the recession, he said.

His confidence of a recovery was based on the "well-established" *four-year* pattern of trade cycles in which there were expansionary phases of about 20 months followed by much slacker periods of 30 months.

Phases of growth were a central feature of the natural *rhythm of the economy.* There had been no trade cycle since the First World War in which output had not grown significantly in the expansionary phase.

"One would need the most compelling evidence imaginable before believing that we had suddenly departed from that pattern of behaviour," he told a meeting of the Teesside and District Chamber of Commerce and Industry.

Already identified factors which would play their part in the recovery included:

- Increases in orders for stocks as the stock rundown draws to an end.
- Strengthening confidence as it is seen that the recession is ending and the inflation rate falling.
- Improved profitability and competitiveness. According to Mr. Brittan, we are witnessing lower wage settle*ments and improvements in* productivity.
- The Government's policy of allowing sterling to float freely. With the strengthening of the U.S. dollar and recovery of the D-Mark in recent weeks, the trade-weighted exchange rate index of sterling had fallen 6 per cent from its peak value.

Mr. Brittan said recent improved productivity was something which neither side of industry would be prepared to treat as temporary or reversible. Somewhat to their surprise, managements and workforces had found that the struggle with difficult conditions had compensating benefits.

Employers 'want tougher union laws'

BY CHRISTIAN TYLER, LABOUR EDITOR

MOST EMPLOYERS would like to see a further amendment to trade union law, allowing them to sue trade unionists who take *industrial action before disputes* procedures have been exhausted, according to the CBI yesterday.

This is the main point to have emerged so far from a CBI survey of its members about the Government's Green Paper on restricting trade union immunities.

A formal request to the Government for legislation along these lines is therefore likely to appear in the CBI's submission in about seven weeks' time.

Sir Terence Beckett, CBI director-general, yesterday singled out breaches of disputes procedure as the issue on which there was greatest unanimity among industrialists.

But he said there was much less agreement about how rapidly such a reform could be introduced. Some members argued that it might need another General Election and a fresh mandate for reform to make such a change stick.

Of the law generally, he said: "they are *nearly unanimous that* the present state of the law is unsatisfactory, but there is a difference of view about timing."

The Green Paper itself notes that to remove immunity from workers taking action in breach *of an agreement would not* automatically make agreements legally binding contracts.

But it also notes the failure of previous attempts to introduce legally binding agreements to British industry, and warns that unions might try to avoid the consequences of the law by simply refusing to sign any new agreements and withdrawing from existing procedures.

The point of the legal reform CBI members want would be to discourage sudden stop*pages on the production line* and repair Britain's bad reputation for meeting delivery dates.

Procedure agreements—where they exist—are commonly ignored by both sides of industry. They are also notoriously susceptible to conflicting interpretations, often becoming themselves the secondary subject of an industrial dispute.

The Government has also asked whether labour law should be entirely rewritten, substituting for negative immunities *positive rights for trade unions.* Employers were showing little interest in that idea, Sir Terence said.

Civil servants to assess strike policy

By Philip Bassett, Labour Staff

CIVIL SERVICE union conferences are likely to be asked next month to decide on widening the present campaign of selective strikes either into sensitive benefit-payment areas or into an all-out stoppage.

Union leaders this week decided for the moment not to intensify the action by bringing in staff at the Department of Employment, and Health and Social Security, or by calling an all-out strike. There are divisions in the unions on these points.

Mr. Alistair Graham, deputy general secretary of the Civil and Public Services Association, and a key figure on the union's pay campaign co-ordinating committee, told a rally of civil servants in London yesterday that the forthcoming conferences were the places where policy decisions "of such magnitude" ought to be taken.

The unions' action in Defence was increased yesterday when health physics staff at Rosyth and Devenport dockyards came out on strike. Action by the staff, who work in the nuclear safety areas of the bases, could affect nuclear submarine operations, and poses the possibility of Navy personnel again being used to counter it.

About 1500 industrial workers *at Rosyth have been given notice* that because of the worsening effects of the action there—a shortage of spares, lack of transport, lack of fuel supplies for cranes and compressors, and the absence of radiographers—it will be neither "practical nor economic" for shift work to continue there after May 22.

Passport Office and some Customs staff came out yesterday. The unions will today announce air traffic control action on Monday at the West *Drayton control centre.*

Civil Service Department officials are studying the unions' reply to the Government's offer of an outside inquiry into the dispute. CSD officials are hopeful of further contact with the unions next week.

Mr. Bill Kendall, secretary-general of the Council of Civil Service Unions, said at the rally that what movement there had been by the Government was entirely due to the seven weeks of industrial action. Regarding the inquiry, he said: "I would not fling it entirely out of the window."

Ford workers reject quality plan

By Nick Garnett, Labour Staff

Ford union leaders yesterday rejected the use in UK plants of "quality circles"—an element of the company's "After Japan" productivity drive.

The management expressed disappointment at a meeting with the unions yesterday but agreed to a suggestion that a joint committee should be established to discuss possible alternative mechanisms for involving employees in improving first time quality.

In the meantime, the unions are telling shop stewards and *workers not to involve them*selves in the small number of quality circles the company has been quietly introducing in a few of its UK plants.

They have also been brought in on a formal basis at a number of Ford's European plants, including Valencia, Cologne and Saarlouis.

Mr. Daug Cornwell, vice-chairman of the Ford unions, said they had discussed the quality circles issue for an hour and a half before rejecting the concept.

He indicated that the reasons for the rejection were that they cut across union structures, they did not just deal with quality but also with *other issues such as workers'* motivation and that the unions had been annoyed by the way the company had already tried to introduce quality circles without formal union acceptance.

The meeting yesterday was arranged to discuss company documents dealing with the general changes the company is seeking in the "After Japan" programme as well as problems the management says it faces in securing the *full operation of already exist*ing agreements.

The unions said that they needed more time to study the proposals. A further meeting has been fixed with the company in three months.

The union side will meet shortly to discuss the programme and this will be followed by national meetings of plant joint works committees before the July meeting with the company. At that meeting, the unions will say that the wage structure will need major revision.

Hull plan for private fish port

HULL TRAWLER owners yesterday launched a plan to buy docks there for use as a private fish port.

They have formed a company called Kingston Docks to buy the port's fish docks, the old town docks and the riverside quay.

Mr. Tom Boyd Junior, the family trawler owner and chairman of the company, said the aim was to protect 6,000 jobs and preserve Hull's heritage as a fish port.

The fish docks *are owned by* the British Transport Docks Board which has a statutory obligation to provide a fish landing facility.

Although this could prove a major obstacle, Mr. Boyd believes it can be overcome by an amendment to the Transport Bill now going through Parliament.

The new company was meeting MPs and city councillors yesterday.

Work has begun on a £2m marina at the old town docks, *owned* by Hull Corporation. The docks board has already warned that rents can be expected to rise in June.

Few trawlers now land at Hull, but the new company appears confident.

Panini sold for £15,000

A CAPRICCIO landscape painting by Panini was sold for £15,000 yesterday in a Christie's auction of Old Masters.

The painting has twice previously appeared for sale at Christie's. In 1877 it sold for 56 guineas and in 1904 its value slumped to 30 guineas.

At Sotheby's a rare early 18th century astronomical clock by Edward Cockey was bought for £50,000—over twice the estimate. Only half a dozen similar Cockey clocks are known.

Plessey offshoot

PLESSEY has set up a new management company responsible for the Electronics Components Division, Solid State Division, Plessey Aerospace, Birkby's Plastics and Plessey Hydraulics International. Mr. Vivian Butler is to become managing director of the new company, Plessey Engineering and Components.

Commons committee to probe defence policy

BY LYNTON McLAIN

THE HOUSE of Commons Select Committee on Defence is to investigate Government defence policy, including the plan announced last week by Mr. John Nott, the Defence Secretary, to review the equipment programme.

Total defence spending this year is expected to reach £12.3bn, which is 5 per cent more than in 1979-80. The increase over 1980-81 is not clear because of overspending by the Ministry of Defence last year.

The MPs on the select committee intend to hold three public meetings to take evidence from officials and others, including Mr. Nott.

The Ministry is understood to be working on papers leading to draft plans to keep spending inside its planned budget for the rest of the decade. Mr. Nott has warned that some of his decisions as a result of the review will be "hard."

Re-equipment decisions under review include the future of a replacement for the Sea King anti-submarine helicopter; development of the Sea Eagle anti-ship missile, the advanced version of the Harrier vertical take-off aircraft; and the heavyweight torpedo programme.

These, if carried out simultaneously, could upset Government plans to keep rises in defence spending to no more than 3 per cent a year.

Another senior executive leaves Charterhouse

BY CHRISTINE MOIR

ANOTHER SENIOR executive is to leave Charterhouse Japhet, the merchant bank which took over Keyser Ullmann last year.

Yesterday it was learnt that Mr. Phillip Ralph, head of cor*porate finance at the* merchant bank, is to leave for a job in industry.

Mr. Malcolm Wells, chief executive of the bank which is part of the Charterhouse Group, was the first to leave in January. *He was followed shortly by Mr.* John Turnbull, joint head of banking. Both cited differences of opinion on policy.

According to Mr. Geoffrey Rowett, chief executive of Charterhouse Group, Mr. Ralph's reason for leaving is different — he was simply offered a good opportunity and took it. "We are very sorry to see him go," Mr. Rowett said.

No replacement for Mr. Ralph has yet been found. His deputy is Mr. Bruce Fireman.

Charterhouse has had a troubled time *merging* the two banks. Apart from staff upheavals, there were legal conflicts over the independence of Throgmorton Trusts, and a management buy out of Keyser Ullmann's European banking operations by Mr. Guy Naggar, who had been deputy chief executive at KU.

Unions urge state shareholding in ICL

BY JASON CRISP

MANAGEMENT at ICL, the troubled computer company, has been strongly criticised at a joint conference of the main trade unions recognised by the company. The conference called on the Government to take a major shareholding "as a basis for the future viability of ICL."

The conference, held to discuss the events leading up to last month's £200m Government rescue package, was particularly critical of the amount of information disclosed to potential buyers of the company.

A union report on the conference claims that senior management gave U.S. companies, notably Sperry Univac, which is believed to have a strong *interest in taking over* ICL, full details of company product development.

The unions also criticised senior management's alleged failure to diversify ICL's product range, particularly in potentially profitable areas such as office systems.

According to the report there has been a breakdown in industrial relations at corporate level, and at local level a gulf in communication between management and trade unions wider than at any other time.

Key senior staff with high *high* technical qualifications were leaving the company, said the report, and could not be adequately replaced at present.

The unions thought that the £200m loan guaranteed by the Government to give the company "*breathing space*" *was* totally inadequate."

The main unions at the conference were the Association of Scientific, Technical and Managerial Staff; the Amalgamated Union of Engineering Workers, including its white-collar section, TASS; and the Association of Professional, Executive, Clerical and Computer Staff.

The conference called on local bargaining units to ask their members to commit themselves to taking industrial action if further redundancies were sought.

Council members to quit

BY CHRISTINE MOIR

FOUR COUNCIL members are resigning from the Stock Exchange Council for which elections will be held on June 22.

Mr. Charles Telfer, of Carr *Sebag, and Mr. Peter Swan,* of Phillips and Drew, who were due to retire by rotation, have said that they do not intend to seek re-election.

Mr. David Le Roy-Lewis, who recently announced his intention to retire as senior partner of Akroyd and Smithers, and Lord Wardington, of Hoare Govett, have decided to resign even though they are not yet due to *to face re-election.*

Ten other councillors, including Mr. Nicholas Goodison, the chairman, are seeking re-election. Nominations to fill the vacancies close on June 11.

Kinnock attacks Benn and supporters

By Margaret Van Hattem

MR. NEIL KINNOCK, Labour's spokesman on education, yesterday made a thinly veiled attack on Mr. Tony Benn and his supporters.

He did not mention names, but he denounced those who think that unity can be won or electoral support gained by giving the impression that major policies can be simultaneously fulfilled within a few weeks of government with instant prescriptions. His speech was widely interpreted as referring to Mr. Benn and his supporters on the far left of the party.

Mr. Kinnock told a Labour meeting in Hull that such people were offering a fantasy which insulted adult intelligence, invited derision and guaranteed disappointment.

He said: "What we demand is that the arrogant, the obsessive, those whose political activity consists of attacking or defending the past, those who give their energies to investing a fictitious future, should recognise that we in the Labour Party live together or die separately. Otherwise they should leave now to become the insignificant ravers in the impotent fragments which they would be without the status and opportunity the Labour Party gives them."

Mr. Kinnock, an influential member of the Tribune Group, has until now held back from the internal fighting which followed Mr. Benn's *decision to* challenge Mr. Denis Healey for the deputy leadership of the party. His speech yesterday, which was carefully phrased to avoid direct attack, is his first public indication of where he stands on the issue.

Calling for a much greater willingness in the party to accept compromises, he directed his words to Mr. Alan Fisher, the general secretary of NUPE, who has pledged his union's support for Mr. Benn.

Answering Mr. Fisher's call, at the Scottish TUC conference earlier this week, for a Labour Government to carry out the policies on which they were elected, Mr. Kinnock said: "If that is to become possible, we first have to have a Labour government."

Powell attacks Thatcher for undermining confidence

BY MARGARET VAN HATTEM

MR. ENOCH POWELL yester*day attacked* the Prime Minister for undermining Britain's national independence and self-confidence.

Speaking in Southend, Mr. Powell said British people, looking around them in the world, felt down-graded and passed-by and looked to *the* Prime Minister for leadership and a sense of national identity.

Mr. Powell singled out Britain's membership of the EEC and the opening of dialogue with the Irish Government on Northern Ireland for particular attack.

"People hearing her are convinced that she shares their frustration and nurtures their ambition. They are then bewildered to find that the role *implicit in those words* and that mood is not acted out."

Mr. Powell asked: "How comes it that Mrs. Thatcher, after stoutly proclaiming in the face of Western Europe the national demands of Britain, is afterwards or even simultaneously heard indulging in the *full rhetoric of European inte*gration and political unification?

"How comes it that when she has asserted her pride and confidence in Britain's material capability, her discourse then turns so easily into denunciation of whole classes of British society and of the British economy itself as uncompetitive?

"How comes it that Mrs. Thatcher, who has asserted herself to be rock-hard for the Union, is able to place her signature beside that of the Union's *bitterest enemy to statements* perilously near to questioning it?"

Britain could not be a nation if it surrendered the right of its Parliament to legislate and of its courts to interpret laws.

Mr. Powell also attacked Mrs. Thatcher for her acceptance of alien standards of economic performance and the consequent designation of a century of British economic experience as "decline."

Midland Bank threatened with selective action

BY NICK GARNETT, LABOUR STAFF

MIDLAND BANK has been threatened with selective action in High Street branches by the Banking, Insurance and Finance Union over the suspension of staff at an Oxford Street branch in London.

A meeting between Mr. Alan Scouller, Midland's assistant general manager for industrial relations, and Mr. Hedley *Woods*, a BIFU assistant secretary, failed to resolve the dispute which resulted in picketing of the branch yesterday.

The bank said it suspended nine staff on Thursday for failing to work normally. The union said the bank had effectively suspended 18 staff who had been working to the bank's operating manual as part of the union's dispute with the English clearers over pay.

The union announced yesterday that a work to rule and overtime ban would begin on Monday by engineers at the Bankers Automated Clearing Services.

Stay of execution for Liverpool hotel

BY MAURICE SAMUELSON

LIVERPOOL's famous hotel, the *Adelphi, has been given a 12-15* months' stay of execution by British Transport Hotels (BTH), the British Rail subsidiary.

The future of the 155-year old loss-making hotel has been in doubt *for some time because of* rapidly rising costs and falling income. BTH had advised its immediate closure.

The management will cut loses by closing one of the two restaurants, refurbishing the other and making 40 of the 167 staff redundant. Part-time staff have been withdrawn.

BTH will endeavour to sell the hotel, on a prime city centre site, as a going concern but, with four modern hotels nearby, this could prove difficult.

Mr. Peter Salmon, deputy manager, said yesterday the losses were "not all that bad." But the hotel had to do better.

A relic of the days of transatlantic passenger sea traffic, it is now far too big for the number of guests it attracts. Two of its six floors have been closed for four years. Most guests are either businessmen or summer coach parties of tourists.

Dockers call overtime ban

BY OUR LABOUR STAFF

THE SOUTHAMPTON dockers' pay dispute, which led to the closure of the port for three weeks last month, intensified *yesterday when a mass meeting* of 1,600 dockers called a ban on overtime and night shift work following the breakdown of talks with the British Transport Docks Board.

The dockers unanimously rejected a £13-a-week pay offer which would raise their basic wage to £106 a week. They saw the offer as falling far short of their demand for comparable pay with non-registered dock staff.

Serious disruption is expected to shipping operations next week when the port will revert to a single 8 am to 5 pm shift for dockers.

Mr. Ritchie Pearce, chairman of the port's shop stewards' committee, said: "We are now waiting for the management to make a better offer."

Application has been made to the Council of The Stock Exchange in London for all the Participating Redeemable Preference Shares of £0.01 each ("Participating Shares") of Vanbrugh Currency Fund Limited ("the Fund") now being offered to be admitted to the Official List.

This document contains particulars given in compliance with the Regulations of the Council of The Stock Exchange in London for the purpose of giving information with regard to the Fund. The Directors of the Fund have taken all reasonable care to ensure that the facts stated herein are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement herein, whether of fact or opinion. All the Directors of the Fund accept responsibility accordingly.

A copy of this prospectus, having attached thereto the documents specified herein, has been delivered to the Registrar of Companies in London for registration pursuant to the Companies Act, 1948.

The consents of the Finance and Economics Committee of the States of Jersey under the Control of Borrowing (Jersey) Order 1958 (as amended) and of the United Kingdom Treasury in compliance with the Order made under section 1 of the Borrowing (Control and Guarantees) Act 1946 have been obtained to the issue of Participating Shares of £0.01 each in the Fund. It must be distinctly understood that in giving these consents neither the Committee nor the Treasury takes any responsibility for the financial soundness of any schemes or for the correctness of any statements made or opinions expressed with regard to them.

This document is issued solely for the purposes of the initial offer for subscription of up to 49,990,000 Participating Shares. Copies of any later prospectus will be available from the Managers and the Brokers. No dealer, salesman or other person is authorised to give any information or to make any representations other than those contained in this prospectus and, if given or made, such information or representations may not be relied upon as having been authorised by the Fund, its Directors or the Managers.

This prospectus does not constitute an offer or solicitation to anyone in any jurisdiction outside the United Kingdom in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

In this prospectus "pounds" and "£" means pounds sterling.

Copies of the prospectus and the application form may be obtained from: Vanbrugh Life Assurance Limited, Vanbrugh House, 41-43 Maddox Street, London W1R 9LA and Rowe & Pitman, City-Gate House, 39/45 Finsbury Square, London EC2A 1JA.

Vanbrugh Currency Fund Limited

(A Company limited by shares incorporated in Jersey, Channel Islands under the Companies (Jersey) Laws, 1861 to 1968)

OFFER FOR SUBSCRIPTION

of up to 49,990,000 Participating Shares at £1 per Share

The subscription lists will open at 10 am on Monday, 27th April, 1981 and will close on Monday, 11th May, 1981.

DIRECTORS
Rupert Leo Sutton FIA (Chairman),
Vanbrugh House, 41-43 Maddox Street, London W1R 9LA.
Director and General Manager, Vanbrugh Life Assurance Limited

Dr. Etienne Dierexsens (Belgian),
10 Borzestraat, 2000 Antwerp, Belgium.
Managing Director, Compagnie d'Assurance de l'Escaut S.A.

Brian George Pearmain,
Normandy House, St. Helier, Jersey, Channel Islands.
Advocate of The Royal Court of Jersey

John Nigel Littlewood,
City-Gate House, 39/45 Finsbury Square, London EC2A 1JA.
Partner, Rowe & Pitman, Stockbrokers, London.

Deryk Anthony Haithwaite,
29 Broad Street, St. Helier, Jersey, Channel Islands.
Partner, Le Masurier, James & Chinn, Stockbrokers, Jersey

MANAGERS
Vanbrugh Fund Management International Limited,
28/34 Hill Street, St. Helier, Jersey, Channel Islands.

REGISTERED OFFICE
28/34 Hill Street, St. Helier, Jersey, Channel Islands.

SECRETARY REGISTRAR AND CUSTODIAN
Midland Bank Trust Corporation (Jersey) Limited,
28/34 Hill Street, St. Helier, Jersey, Channel Islands.

INVESTMENT ADVISERS
Prudential Portfolio Managers Limited,
142 Holborn Bars, London EC1N 2NH.

BANKERS
Midland Bank Limited, 2 Hill Street, St. Helier, Jersey, Channel Islands.

AUDITORS
Deloitte Haskins & Sells,
Trinity House, Bath Street, St. Helier, Jersey, Channel Islands.

LEGAL ADVISERS
In Jersey:
Bedell & Cristin,
P.O. Box 75, Normandy House, St. Helier, Jersey, Channel Islands.

STOCKBROKERS
Rowe & Pitman,
City-Gate House, 39/45 Finsbury Square, London EC2A 1JA.

INTRODUCTION

The Fund is an open-ended investment company incorporated in Jersey, Channel Islands, with limited liability on 10th April, 1981. The capital structure of the Fund allows it to issue and redeem Participating Shares at prices based on the underlying net asset value of the Fund and it is thus intended to operate in a similar way to a mutual fund or unit trust.

Participating Shares will be freely transferable and will be redeemable by the Fund on the basis of its net asset value on regular subscription days, usually weekly. The redemption value of Participating Shares is determined by the value of the Fund's investments and will therefore be subject to fluctuations in exchange rates.

Background

During the 1970's many investors preferred the safety of bank deposits and similar investments against a background of highly volatile equity and government bond markets. However, one disadvantage of investing capital in deposits denominated in only one currency is that, in an inflationary climate, both capital and income are liable to depreciate in value. For example, in the UK over the period 1st January, 1970 to 1st January, 1980 the average annual three month Sterling Deposit Rate was 11.15% whereas the average annual rate of inflation over this period (measured by the Retail Prices Index) was 13.1%.

Following the removal of Exchange Controls in 1979, UK resident investors now have the opportunity to invest in bank deposits in overseas currencies throughout the world and so take advantage of the rates of interest available on overseas currencies which may from time to time be more attractive than those payable on sterling deposits. This freedom to invest in overseas currencies may create gains or losses from fluctuations in exchange rates and may also enable investors to obtain a degree of capital protection and appreciation relative to sterling.

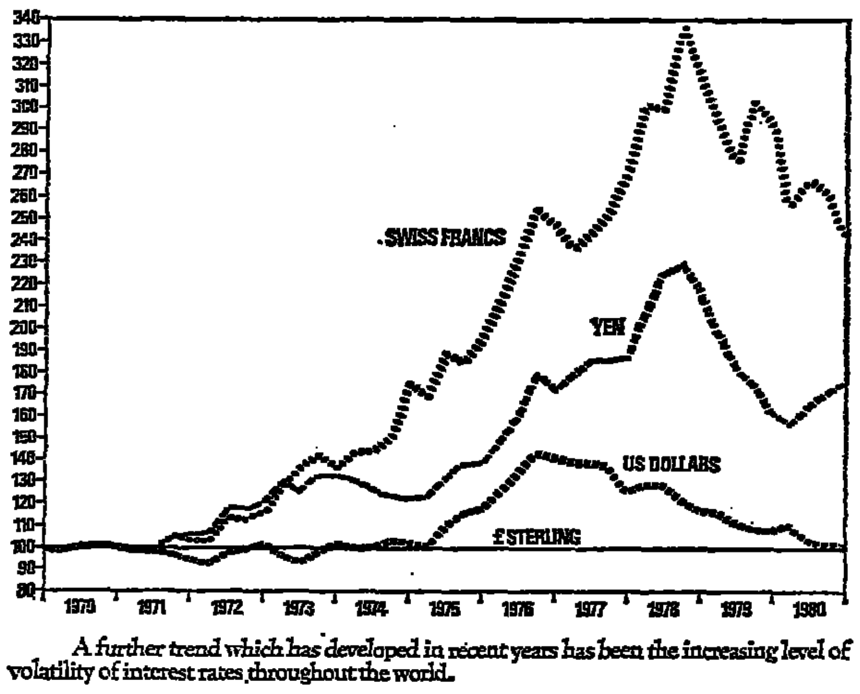
The Vanbrugh Currency Fund

The Fund is designed to enable investors to take advantage of this opportunity. It will be a diversified and actively managed portfolio of money market instruments and bank deposits denominated in various currencies. The Fund will be able to earn higher rates of interest than those obtainable by private investors on bank deposits. Furthermore, the Fund will be able to invest in money market instruments which are not normally available to the private investor. In addition, the Managers will select investments denominated in what they consider to be the stronger currencies and will switch investments between currencies when necessary in order to achieve the Fund's objective.

The objective of the Fund is to offer investors the opportunity to achieve a high level of income from interest received on the Fund's investments combined with capital protection and appreciation relative to sterling.

Fluctuation in Exchange and Interest Rates

The graph below illustrates how three major overseas currencies have fluctuated against sterling since January, 1970.



A further trend which has developed in recent years has been the increasing level of volatility of interest rates throughout the world.

ANNUAL RETURNS FROM INVESTMENT IN BANK DEPOSITS
1st January, 1971-1st January, 1981

	STERLING	U.S. DOLLARS	JAPANESE YEN	DEUTSCHE MARKS
	%	%	%	%
1971	6.3	-1.8	13.5	11.5
1972	6.4	13.6	19.1	15.8
1973	11.5	10.2	16.8	32.3
1974	13.9	9.7	4.1	21.3
1975	10.8	23.0	27.2	11.5
1976	12.1	25.0	32.5	37.2
1977	8.4	-6.3	15.0	4.3
1978	9.1	1.7	21.0	11.8
1979	14.6	2.5	-21.2	2.4
1980	18.6	6.1	22.2	-10.4

This table shows the year by year returns which could have obtained on deposits in US Dollars, Yen and Deutsche Marks taking account of both fluctuating exchange rates (measured against sterling) and the level of interest rates available on bank deposits in those currencies.

In today's turbulent economic climate, sharp fluctuations in foreign exchange rates are likely to continue, thus creating opportunities for capital appreciation relative to the value of sterling.

Professional Currency Management

The selection of currencies requires a thorough understanding of economic developments throughout the world and a high level of technical expertise in order to anticipate changes in the relative values of currencies and prevailing interest rates on the various money market instruments and bank deposits denominated in each currency.

The Fund enables the private investor to invest in foreign currencies without having *to master the complexities of foreign exchange markets and dealings.*

The Investments of the Fund

The assets of the Fund will normally be held in short term money market instruments and bank deposits in major overseas currencies and sterling. The average term of these investments will normally be six months or less so that the risk of capital losses through a rise in interest rates will be minimised. The main types of money market instrument likely to be held will include Certificates of Deposit, Floating Rate Certificates of Deposit, Floating Rate Notes and short dated Bonds. The Fund may also from time to time invest in longer dated securities in order to take advantage of favourable opportunities. The distribution of the assets of the Fund between different currencies and the holdings in particular currencies will be changed from time to time with a *view to taking advantage of foreign exchange* opportunities as they arise. To reduce the risk arising from changes in the exchange rate of a particular overseas currency against sterling the Fund's holdings will be balanced between major world currencies but it should be appreciated that foreign exchange rates are volatile. The primary countries in which the Fund's investments will be placed are Japan, USA, UK and West Germany, although investments may be made in other countries from time to time including Australia, Belgium, Canada, France, Holland, Hong Kong, Singapore and Switzerland.

Some advantages of investing in the Fund rather than directly in overseas currencies are:—

* The balanced distribution of the Fund's holdings between major currencies is designed to reduce the risk of sudden large losses in terms of sterling.
* The Managers should be able to take advantage of short term movements in foreign exchange rates.
* The Fund will *enjoy lower dealing expenses than those usually incurred by individuals* holding relatively small deposits, on switching from investments in one currency to investments in another. For example, whereas it would normally cost a private individual up to 1.5% to switch from sterling to US dollars and back into sterling, it would normally cost the Fund around 0.1% for a similar transaction involving a larger amount.
* Large investors such as the Fund can obtain substantially higher rates of interest than those earned on relatively small bank deposits. This advantage is illustrated by the table below which compares the rates of interest obtainable on a seven day notice bank deposit account on 7th April, 1981:

INTEREST RATES

Currency	Individual Bank Deposit £2,000 or Currency Equivalent	Fund Bank Deposit £100,000 or Currency Equivalent	Gained by the Fund
	%	%	%
Sterling	9½	11¾	2¼
Deutsche Marks	9	11⅜	2⅜
Swiss Francs	–	6	6
Japanese Yen	5	6¼	1¼
US Dollars	13½	15½	2

Income

Although the rates of interest payable on securities in various currencies are of major importance in the selection of investments, it can be seen from the table above that the general level of interest rates throughout the world varies substantially. The level of income from the Fund is therefore liable to be volatile and will also be affected by fluctuating exchange rates.

Income will be paid in sterling, by way of half-yearly dividends payable normally in June and December (commencing December 1981).

The estimated initial yield on the offer price is 8%. The Fund intends to distribute substantially all the income it receives, after payment of the management and other expenses.

Reinvestment of income

There will be a facility for automatic reinvestment of gross dividends for investors who do not wish to receive the dividend distributed but prefer to add it to the capital value of their investment. Tax will be deducted in paying dividends to Jersey residents — see TAXATION below.

Capital Values

The Fund will not distribute by way of dividend capital profits arising from fluctuations in exchange rates.

Changes in the value of the Fund's investments for the time being by reason of fluctuations in exchange rates will be reflected in the subscription and redemption prices of the Participating Shares even though profits or losses may not at that stage have been realised.

It must be recognised that whereas gains (in terms of sterling) may be made through investing in foreign currencies, there is also the risk of losses. The purchase of Participating Shares in the Fund should therefore form only a part of an individual's diversified portfolio.

The Fund's Managers and Investment Advisers

The Fund has entered into an agreement with Vanbrugh Fund Management International Limited ("the Managers") for the management of the Fund's portfolio of investments. The Managers are a wholly-owned subsidiary of Vanbrugh Life Assurance Limited which is itself a wholly-owned subsidiary of Prudential Corporation Limited, the parent company of the Prudential Group. Another Prudential Group company, Prudential Portfolio Managers Limited ("the Investment Advisers") will act as investment adviser to the Managers, using the fund managers and economists employed in the Investment Department of The Prudential Assurance Company Limited ("the Prudential"). The Prudential is the UK's largest corporate investment institution and has substantial experience in a wide range of financial markets. Overseas investments managed by the Prudential exceed £400 million and through its association with the Prudential, the Fund will have access to the experience and advice of stockbrokers and bankers throughout the world.

MANAGEMENT AND ADMINISTRATION

Directors

Mr. R. L. Sutton (aged 55) is the Chairman of the Fund. He is a Fellow of the Institute of Actuaries and has been General Manager of Vanbrugh Life Assurance Limited since 1974.

Dr. Dierexsens (aged 55) is the Managing Director of Compagnie d'Assurance de L'Escaut SA, a Belgian Insurance Company which is a wholly-owned subsidiary of Prudential Corporation Limited. In his capacity as Senior Manager of an Insurance Company, he has been involved in Investment Management for over ten years.

Mr. B. G. Pearmain (aged 32) is an Advocate of the Royal Court of Jersey and a partner in Bedell & Cristin.

Mr. J. N. Littlewood (aged 46) is a partner in Rowe & Pitman, Stockbrokers, London.

Mr. D. A. Haithwaite (aged 40) is a partner in Le Masurier, James & Chinn, Stockbrokers, Jersey.

Managers

Subject to the control of the Directors, Vanbrugh Fund Management International Limited are responsible for the overall management and administration of the Fund's affairs including investment and valuation of the Fund's assets and the issue and redemption of the Fund's shares. The Managers have sub-contracted their administrative responsibilities to Midland Bank Trust Corporation (Jersey) Limited whose remuneration therefore will be paid by the Managers. The directors of the Managers are Mr. R. L. Sutton, Mr. D. A. Haithwaite (who are also directors of the Fund), Mr. F. J. A. Brown, Mr. N. J. Willifer and Mr. J. K. Stone. Mr. Stone is the Marketing Director of Vanbrugh Life Assurance Limited. He is a Fellow of the Chartered Insurance Institute and has over ten years' experience in the marketing of investment funds for personal investors. Mr. Brown and Mr. Willifer are both directors of Midland Bank Trust Corporation (Jersey) Limited.

Investment Advisers

Prudential Portfolio Managers Limited have been appointed investment advisers to the Managers. They have undertaken to keep the Fund's investments under regular review and to provide the Managers with advice on the investment and general deployment of the Fund's assets. Their remuneration as investment advisers will be paid by the Managers. Normal brokerage commissions on purchases and sales will be borne by the Fund.

Custodian

The Fund has appointed Midland Bank Trust Corporation (Jersey) Limited ("the Custodian") as its custodian responsible for the custody of the assets of the Fund and also to be the Secretary and Registrar of the Fund. The Custodian is a wholly-owned *subsidiary of Midland Bank Limited.*

Fees and Charges

Charges payable by Subscribers

The initial payment of £1 for each Participating Share under this offer for subscription is made up of a subscription price of 96p per Participating Share and an initial charge of 4p per Participating Share payable to the Managers. From this initial charge the Managers may pay commissions to recognised agents not exceeding 3p per Participating Share. On the issue of Participating Shares after the subscription lists for this initial offer have closed, an initial charge will be made by the Managers in addition to the *subscription price. The amount of the initial charge will not exceed 5 per cent. of the* subscription price. From this initial charge the Managers may pay to recognised agents a commission not exceeding 4 per cent of the subscription price.

Management and Administration Charges payable by the Fund

The Managers will receive from the Fund a fee based on an annual rate of ¾% of the value of the net assets of the Fund. Such fee is calculated and payable weekly by reference to the current net asset value computed as *for determining the subscription* price of Participating Shares. In addition to brokerage commissions, as mentioned above, the Fund is responsible for all normal operating expenses, including audit fees, registration fees, stamp and other duties and charges incurred on the acquisition and realisation of investments. The Custodian will receive a fee from the Fund based on the following annual rates: 0.15% on the net asset value of the Fund (computed as for determining the subscription price of Participating Shares) up to £10 million, 0.125% on such value *between £10 million and £20 million,* and 0.10% of such value over £20 million, subject to a minimum of £7,000 per annum. Such fee is calculated and payable weekly by reference to the current net asset value (computed as above). The formation expenses of the Fund and the expenses relating to the application for listing on The Stock Exchange, London and to this initial issue of Participating Shares, which are estimated to be £87,000, are payable by the Fund but will be met by the Managers who will be repaid *over a period of five years from the date of the closing of this offer.*

ISSUE AND REDEMPTION OF PARTICIPATING SHARES

Issue

The procedure for application for the initial issue of Participating Shares is set out below under "Applications." After the closing of this initial offer, Participating Shares may be issued at the appropriate subscription price plus the initial charge payable to the Managers on each subscription day (normally every Tuesday).

The subscription price is calculated by reference to the net asset value of the Fund on the preceding business day as described in the Appendix, paragraph 3.

Redemption

On each subscription day Participating Shares may be redeemed at the current redemption price. This is calculated by reference to the net asset value of the Fund on the business day preceding such subscription day as described in the Appendix, paragraph 3.

In order to redeem all or part of his holding of Participating Shares, a shareholder must notify the Managers not later than 3 p.m. Jersey local time on the subscription day. Any application received after that time will be held over and dealt with on the next subscription day. Unless otherwise directed by the Managers, notice is given by delivery of the share certificate(s), duly endorsed, to the Managers together with a request in writing or by telex. Unless the number of Participating Shares is specified, a redemption request will be taken to apply to all the Participating Shares held or represented by the certificate(s) received.

Redemption proceeds will be despatched by the Managers within fourteen business days of the relevant subscription day, provided that duly endorsed certificates are received, and will be sent by sterling cheque by mail at the shareholder's risk.

Redemptions of Participating Shares may also take place or be suspended in the circumstances mentioned in the Appendix, paragraphs 4 and 5.

Subscription and redemption prices will be published daily in the "Financial Times" and will also be available from the Managers on request.

Equalisation payments

To avoid fluctuations in the Fund's net undistributed income as a result of the *issue or redemption of Participating Shares, the subscription* and redemption prices of Participating Shares will include equalisation amounts equivalent to the amount of income attributable to each Participating Share in issue or deemed to be in issue on the relevant subscription day.

Equalisation Payments are normally either repaid to shareholders with the first dividend paid after the issue of the relevant Participating Shares or, if still outstanding on the redemption of the Participating Shares or in a liquidation, are included in the proceeds.

TAXATION

The Fund's liability to Jersey taxation is limited to Corporation Tax, currently at a fixed rate of £300 per annum.

The Comptroller of Income Tax in Jersey has confirmed that income of the Fund arising outside Jersey (and bank interest arising in Jersey) is exempt from Jersey income tax and that dividends paid by the Fund may be paid free of any withholding taxes to shareholders not resident in Jersey for Jersey income tax purposes.

No death duties, capital gains tax, gift, inheritance or capital transfer taxes are *levied in Jersey. No stamp duty is levied in Jersey on the issue, transfer or redemption of* Participating Shares.

Holders of Participating Shares resident in Jersey for Jersey income tax purposes will suffer deduction of tax on all payments of dividends by the Fund at the standard rate of Jersey income tax for the time being in force.

Individuals resident in the United Kingdom for tax purposes who hold Participating Shares will, subject to their personal circumstances, be liable to United *Kingdom income tax in respect of dividends or other income distributions of the Fund.* Individuals resident or ordinarily resident in the United Kingdom for tax purposes who hold Participating Shares will normally be liable to United Kingdom capital gains tax in respect of gains arising from the disposal or redemption of Participating Shares.

Clearance under section 464 of the Income and Corporation Taxes Act 1970 from the provisions of sections 460-467 of the Act (which provide for the cancellation of tax advantages from certain transactions in securities) has been given by the United *Kingdom Board of Inland Revenue in relation to the issue and redemption of* Participating Shares by the Fund, the purchase of Participating Shares from, and their sale to, the Managers and the purchase and sale of Participating Shares through The Stock Exchange, London. The attention of individuals ordinarily resident in the United Kingdom is drawn to sections 478-481 of the Income and Corporation Taxes Act 1970, which may render them liable to taxation in respect of the undistributed income or profits of the Fund. *It is understood that the United Kingdom Inland Revenue is considering the* possible application of those sections to certain Channel Island funds, the stated investment policies of which involve the minimisation of income. The Fund does not intend to pursue such a policy and, as stated above, intends to distribute substantially all its income.

The foregoing statements are based on advice received by the Fund regarding the law and practice in force in Jersey and the United Kingdom on the date of this prospectus.

INVESTORS SHOULD CONSULT THEIR PROFESSIONAL ADVISERS ON THE POTENTIAL TAX CONSEQUENCES OF SUBSCRIBING FOR, PURCHASING, HOLDING, REDEEMING OR SELLING PARTICIPATING SHARES UNDER THE LAWS OF THEIR COUNTRY OF CITIZENSHIP, DOMICILE OR RESIDENCE.

MEETINGS AND REPORTS

Holders of Participating Shares are entitled to attend and vote at general meetings of the Fund, which will normally be held in Jersey.

Audited accounts of the Fund will be made up to 24th April in each year. An interim report will be sent to shareholders during each year.

TRANSFERS AND DEALINGS

It is anticipated that dealings in Participating Shares will commence on 12th May, 1981. Participating Shares may be transferred by an instrument in writing in any common form and will be subject to registration.

APPLICATIONS

The initial amount payable is £1 for each Participating Share (inclusive of the initial charge of 4p per Participating Share payable to the Managers). Applicants for Participating Shares will be required to provide a declaration that they are not resident in Jersey; all payments of dividends to applicants who cannot give this declaration will be made under deduction of Jersey income tax at the standard rate for the time being in force. Applications should be accompanied by a remittance to Vanbrugh Currency Fund Limited to cover the full amount payable. The subscription lists will open at 10 a.m. on Monday, 27th April, 1981 and will close on Monday, 11th May, 1981.

Applications should be made on the application form enclosed with this prospectus. Applications must be for a minimum of 1000 Participating Shares (£1,000). Attention is drawn to the notes on the application form.

Acceptance of applications will be conditional upon the Participating Shares being admitted to the Official List by the Council of The Stock Exchange, London by Tuesday, 12th May, 1981. Pending satisfaction of this condition, subscription moneys will be held by the Fund in a separate account and if this condition is not satisfied *subscription moneys will be returned.*

Certificates representing the Participating Shares issued will be despatched within 28 days of allotment.

The right is reserved to reject any applications in whole or in part.

APPENDIX

Further Information

1. Share Capital

(1) The authorised share capital of the Fund is £500,000 divided into 100 Founders' Shares of £1.00 each and 49,990,000 Unclassified Shares of £0.01 each.

(2) Founders' Shares have been created solely to comply with the laws of the Island of Jersey so that *Participating Shares may be issued with preference over another class of capital. Founders' Shares carry* one vote each on a poll, carry the right to a dividend not exceeding one half of one per cent. per annum after the payment of a dividend on the Participating and Nominal Shares and, in a winding-up, rank only for a return of paid-up capital (after the return of paid-up capital on Participating and Nominal *Shares). Founders' Shares are not redeemable.*

(3) Unclassified Shares may be issued either as Participating Shares or Nominal Shares.

(4) Participating Shares carry a right to dividends declared by the Fund in priority to Nominal Shares and Founders' Shares. Each holder of Participating Shares will be entitled, on a poll, to one vote for each share held. In a winding-up, each Participating Share has a preferential right of return of paid-up capital and a right to share in surplus assets after the return of paid-up capital on Founders' Shares and Nominal Shares.

(5) Nominal Shares can be issued and redeemed only at par and for the purpose of providing *funds for the repayment of the nominal amount of Participating Shares redeemed. Nominal Shares* carry the right to a dividend not exceeding one per cent. per annum in priority to the Founders' Shares but after the payment of a dividend on the Participating Shares. In a winding-up, they have the right to repayment of paid-up capital before Founders' Shares. At meetings of the Fund each holder of Nominal Shares is entitled to one vote irrespective of the number of such shares so held. The Managers will subscribe Nominal Shares at par when Participating Shares are redeemed. Nominal Shares may be converted into Participating Shares by the Managers for sale to investors.

(6) All the Founders' Shares have been issued to the Managers. No other shares of the Fund have been issued.

(7) No issue of Participating Shares (other than issues for cash at full net asset value) will be made within one year from the date hereof without the approval of the Fund in General Meeting. If ten per cent. or more of the authorised *share capital remains unissued after the subscription made pursuant to* this prospectus, no issue will be made otherwise than for cash at full net asset value which would effectively alter the control of the Fund without the prior approval of the Fund in General Meeting.

2. Variation of Class Rights

(1) Subject to the provisions of the laws of the Island of Jersey, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Fund is being wound up) be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Resolution passed with a three-fourths majority at a separate general meeting of the holders of such shares.

(2) The rights attached to the Participating Shares are deemed to be varied by any variation of the rights attached to shares of any other class or by the creation or issue of any shares (other than Participating Shares) *ranking pari passu* with or in priority to them as respects rights in a winding up or rights to dividend.

(3) *Subject* to paragraph (2) above the rights attached to any class of shares having preferential rights are (unless otherwise expressly provided by the conditions of issue of such shares) deemed not to be varied by the creation or issue of further shares ranking *pari passu* therewith.

3. Subscription and Redemption Prices of Participating Shares

(1) The subscription price of Participating Shares is ascertained:

(a) by valuing the deposits and other assets of the Fund (including interest accrued and/or an appropriate proportion of the total return to be achieved by holding the relevant asset to maturity) and converting assets *denominated in foreign currencies* into sterling on the basis of the spot rate of exchange for the purchase of the relevant foreign currency with sterling on the relevant valuation day (or, in the absence of such a rate, such rate as the Directors deem appropriate);

(b) by adding thereto such sum as the Directors may consider represents the appropriate provision for duties and charges which would be incurred if all the assets held by *the Fund* were being acquired at that date;

(c) by deducting therefrom:—

(i) the liabilities of the Fund, and

(ii) the paid up capital on the Founders' Shares and the Nominal Shares in issue;

(d) by dividing this sum by the number of Participating Shares in issue and deemed to be in issue;

(e) an amount is then added to this sum in respect of fiscal charges arising in Jersey;

(f) there is deducted from this sum the amount of any equalisation payment;

(g) the aggregate of this amount and the equalisation payment is then rounded up to the nearest *1/10th of* one penny.

(2) The redemption price of Participating Shares is ascertained:

(a) by valuing the deposits and other assets of the Fund (including interest accrued and/or an appropriate proportion of the total return to be achieved by holding the relevant asset to maturity) and converting assets denominated in foreign currency into *sterling on the basis of the spot rate* of exchange for the purchase of sterling with the foreign currency on the relevant valuation day (or, in the absence of such a rate, such rate as the Directors deem appropriate) and by deducting therefrom:—

(i) the liabilities of the Fund,

(ii) the paid up capital on the Founders' Shares and the Nominal *Shares in issue*, and

(iii) such sum as the Directors may consider represents the appropriate allowance for the costs of realisation which would be incurred if all the assets of the Fund had been realised at the date of such redemption;

(b) by dividing the resultant sum by the number of Participating Shares then *in issue and deemed* to be in issue;

(c) the resulting price is then rounded down, if necessary, to the nearest 1/10th of one penny;

(d) the price so calculated may include the return of any remaining equalisation payment not previously paid out by way of dividend.

4. Compulsory Redemption of Participating Shares

Participating Shares may be redeemed in the following circumstances:—

(i) If at any time after 31st December, 1985 the value of the Fund's net assets (calculated as though for the purpose of computing the redemption price) on each subscription day falling within a period of twelve consecutive weeks is less than £10,000,000 the Managers may, by four weeks' notice to all holders of Participating Shares given within eight weeks after the expiry of that twelve week period, redeem, on *the subscription day nominated in such notice at the subscription* price on that day, all (but not some only) of the outstanding Participating Shares.

(ii) All Participating Shares not previously redeemed will be redeemed by the Fund on the 30th April, 2060 at the redemption price on that day.

5. Suspension of valuations and redemption

The Directors may declare a suspension of valuations during the whole or part of any period during which by reason of the closure of or the suspension of trading on any money or foreign exchange market or *stock exchange, or a breakdown in any of the means* normally employed in ascertaining the value of investments, or for any other reason the value of any of the Fund's investments cannot, in the opinion of the Directors, be reasonably ascertained, or circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practicable to realise a material proportion of the Fund's investments.

The issue and redemption of Participating Shares will be suspended during any period when valuations are suspended. Notice of the imposition or lifting of the suspension of valuations will be published in the "Financial Times."

Applicants for Participating Shares and shareholders wishing to redeem Participating Shares will be notified of the imposition and raising of any suspension and may withdraw their applications and requests for redemption so long as such suspension subsists. Unless withdrawn, applications for subscription and redemption will be considered on the first subscription day following the lifting of a suspension.

THE WEEK IN THE MARKETS

Onward, onward, on to six hundred

Shares bounded into the second week of the Easter account which ends next Thursday with sights fixed firmly on a FT Index level of 600. Profit taking in blue chip issues, *rather than any deep-seated* hesitancy, finally reduced the charge to a canter and, having brushed just four points below its target yesterday morning, the market closed at 587.3, for a gain of 18.8 since the stock exchange shut down for the Easter break.

Much of the momentum stemmed from asevere shortage *of stock on jobbers' books and* prices were forced up to ometimes "silly" levels in an attempt to get the stock back.

Despite the announcement during the week that unempolyment had reached 2.5m, the market was cheered by *the an*nouncement by Sir Maurice Hodgson at the annual meeting of Imperial Chemical Industries that the group's first quarter should show some improvement. Given that ICI's cent lybeen exceptionally difficult and profits in several of its major businesses have disappeared, the first signs of tentative recovery still leave *much* to be desired. But the observation that volume is off the floor and costs have been coming down reinforced the City's exuberant confidence.

The market was also cheered by the cut in corporate borrowing. It semed prepared *to ac*cept the fact that this welcome increase in liquidity has only been achieved by hefty de*stocking which will be a hard* act to follow this year. Yet this bull *market has so far only seen* two rights issues of any size from leading manufacturing companies—IMI and now Rowntree Mackintosh—but the surge has flushed out its quota of bids.

Tunnel Group roundly dis-

LONDON

ONLOOKER

missed the bid terms offered by Thos. W. Ward (the offer closes next Thursday), while Standard Chartered came back to match the price offered by Hong Koug & Shanghai for the Royal Bank of Scotland, Standard says that it will have to accept some slight earnings dilution to stay in the bidding but it does have Royal's acceptance again and implicit backing of the Bank of England. Hong Kong, meanwhile, is pondering its next move: if it raises the ante once more a Monopolies Commission reference for both offers looks likely.

Sonic boom

However much the Government may appear to be dithering on certain aspects of "privatisation," there is little doubt that the offer for sale of British Aerospace was roundly welcomed. The shares have outperformed an exceptionally strong stock market by 15 per cent since *the February launch* date and the group last week duly confirmed the offer forecast of £58m pre-tax for 1980 with a little to spare.

While other stocks such as Lucas and Smiths Industries offer good exposure to such glamour projects as the Tornado Multi Role Combat Aircraft—now coming into full production—and the European Airbus, BAe is about the only opportunity the UK stock exchange affords investors to take an undiluted bite at the aerospace industry. At the same time, the sector is learning to spread its huge risks and project costs through trans-frontier ventures; the Panavia joint UK, German and Italian Tornado project being a good example.

Tunnel Group roundly dismissed the bid terms offered by Thos. W. Ward (the offer closes *next Thursday*), while Standard Chartered came back to match the price offered by Hong Kong & Shanghai for the Royal Bank of Scotland. Standard says that it will have to accept some slight earnings dilution to stay in the bidding but it does have Royal's acceptance again and implicit backing of the Bank of England. Hong Kong, meanwhile, is pondering its next move; ifit raises the ante once more a Monopolies Commission reference for both offers looks likely.

The pot has been stirred and brought to the boil by the prospect of selling increased quantities of military hardware to *export customers* with particular emphasis on a hawkish Reagan Administration. The City is waiting with a good deal of interest for the U.S. Marine Corps' decision on the new version of the Harrier jump yet, the AV8B. The decision announced during the week by the United Arab Emirates to buy BAe's Hawk trainer aircraft in a £90m deal was another filip for the group and the UK armaments industry as a whole.

And the home market is widely still expected to remain buoyant. *The Defence White* Paper published recently showed a near 14 per cent rise in the total budget to £12.3bn for 1981-82. At the same time, as brokers Hoare, Govett have pointed out, the equipment spend is set to rise by 23 per cent to £5.4bn. Despite cutbacks at the Ministry of Defence, whose expenditure is still expected to grow at about 3 per cent annually in real terms, the firm still sees significant profits growth at the BAe in the current year with the Rapier and Sky Flash missile projects making increased contributions.

There is, however, an element of doubt which has been creeping into all these fine hopes and projections. W. Greenwell, another broking firm which looks hard at the aerospace industry, warns clients that the defence bill has been substantially overshooting and believes that if the Government really is willing to stick to its cash limits, the Defence Secretary will have to announce some awkward spending cuts. An interesting two-way market in BAe shares may be about to develop.

Tyre splits

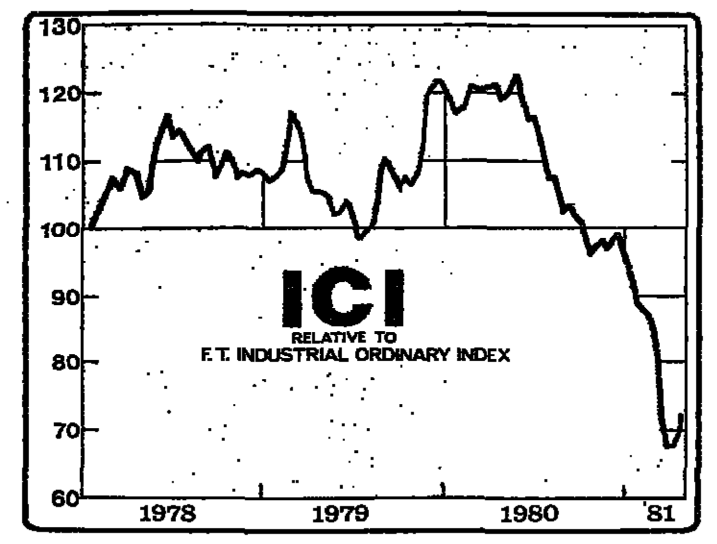
Shareholders of Dunlop Holdings had to absorb more bad news about profits this week, along with a cut in dividend, but also had the surprise of the impending divorce from Italy's Pirelli sprung of them. For after 10 years of vainly trying to forge a new union in the tyre industry, the two companies have finally decided to call it a day.

As the union is dissolved, Pirelli will pay over some £22m to Dunlop, which now intends to continue modernising its loss-making tyre plants as well as extending its interests outside Europe, especially on the non-tyre side.

Along with other major tyre groups, both Dunlop and Pirelli have suffered grievously from the over-capacity and severe price wars which followed the impact of the early 1970s oil crisis on the motor industry. Right from the start of the Dunlop-Pirelli link, relations were complicated by the poor performance of the Italian company.

Dunlop accordingly had to provide over £40m against its original investment in Pirelli—both companies took large minority stakes in each other's operations — at an early stage. The final severing of the cross-frontier ties will thus take account of the increasing financial imbalance between the companies, though Pirelli is now back in profit after 10 years in the red.

Dunlop ended last year with pre-tax profits 70 per cent lower at £10m, after suffering a £22m deficit on UK tyres alone, nearly twoce that of the previous year. So what of the future ? In Europe, the company sees no real signs of a recovery yet, though operations further afield have made a satisfactory start.



Based on last Thursday's close, the table lists market changes since last month's Budget.

	Index	% change	1981 High	1981 Low
Ind. Ord. Index	584.3	+20.6	584.3	446.0
Building Mats.	318.26	+17.8	318.26	236.82
Contracting	596.68	+23.4	599.13	403.39
Electricals	1126.35	+11.7	1127.15	888.13
Eng. Contractors	484.66	+17.0	484.66	374.44
Mech. Eng.	228.65	+22.6	228.65	162.47
Metals, etc.	178.52	+21.3	178.52	127.24
Motors	109.51	+22.5	110.01	84.67
Brewers, Dist.	304.62	+14.3	304.77	244.42
Food Manufacturing	259.27	+15.3	259.27	204.17
Food Retailing	542.36	+21.0	542.92	440.89
Health & H'hold	306.82	+18.8	306.82	245.38
Leisure	445.48	+22.5	445.48	327.38
Newspapers, Pub'g.	503.14	+13.1	503.14	419.04
Pack'g & Paper	155.41	+25.3	157.86	108.85
Stores	282.12	+12.7	282.12	238.15
Textiles	168.47	+20.0	169.04	122.37
Tobaccos	241.07	+11.6	241.07	193.57

	Index	% change	1981 High	1981 Low
Chemicals	303.96	+21.6	304.06	235.35
Office Equipment	129.38	+18.5	129.79	93.19
Shipping	640.33	+10.4	642.33	518.82
INDUSTRIAL GRP.	305.66	+16.6	305.66	241.24
Oils	816.32	− 3.4	923.71	755.27
500 SHARE INDEX	346.54	+12.4	346.54	290.43
Banks	262.44	+18.7	262.44	220.84
Discounts	303.50	+ 1.4	314.03	290.51
Hire Purchase	266.50	+13.2	274.53	194.82
Insurance (Life)	269.01	+ 5.4	274.72	222.74
Insurance (Comp)	166.14	+ 3.9	172.74	142.06
Insurance (Brokers)	377.47	+10.6	381.26	294.21
Merchant Banks	159.32	+ 4.8	160.48	143.07
Property	507.64	+ 6.4	517.77	435.73
Investment Trusts	314.82	+ 8.7	314.82	271.01
Mining Finance	237.19	+ 6.5	244.84	200.76
Overseas Traders	472.63	+ 7.1	476.43	420.28
ALL-SHARE INDEX	327.97	+11.1	327.97	278.20

Flying start for Supermine II

MINING

GEORGE MILLING-STANLEY

AS SUPERMAN II explodes onto our cinema screens, the *gold mining industry comes* up with plans for the second "supermine" of the 1980s.

South African confidence in the long-term future of gold mining has clearly not been vitiated by the recent comparative weakness in the bullion price, currently stuck around the $500 per troy ounce level.

That confidence was underlined this week when the Chamber of Mines of South Africa, which groups the interests of the bulk of mines in the country, announced in its year-end review that the mining industry as a whole is to spend at least R12bn (£6.8bn) on new capital projects over the next five years.

Gold mines will account for more than half of that figure, and they are expected to spend around R3bn on capital investment this year alone.

The size of these figures should come as no surprise to the informed investor, who knows that new gold mines do not come cheap. The development costs of the three most *recent new mines to be brought* to production, **Gold Fields of South Africa's Deelkraal, Anglo American Corporation's Elandsrand** and **Gencor's Unisel**, ranged between R100m and R300m, and would certainly have been much higher at today's prices.

Gencor hopes to bring the gold-uranium mine **Beatrix** to production within the next five years at an estimated total cost *of around R350m. And just the* new shaft system at Anglo's **President Brand** is expected to cost some R125m.

Supermine I, of course, was Anglo's plan for the development of the **Erfdeel-Dankbaarheid** area in the Orange Free State.

This area is to be exploited in conjunction with the group's **Western Holdings, Welkom** and **Free State Saiplaas** mines into a large mining complex with an ore capacity greater than that of **Vaal Reefs**, also an Anglo operation and currently the biggest gold producer in South Africa.

One of the plan's main benefits is the fact that capital expenditures will be available for offset against tax payments by Western Holdings, currently a high tax payer. There are also advantages in the sharing of plant and other facilities, and greater flexibility in mining operations.

The Gold Fields group topped that this week with its long-*awaited announcement of pro*posals for the development of the area to the north of its existing operations at **East** and **West Driefontein**, two of South Africa's richest gold mines.

Much speculation has surrounded the group's plans for this area, known at present as North Driefontein. Gold Fields has now brought this to an end with news of the creation of the largest gold mining operation in the world, which will produce even more gold in a year than the 80 tonnes of **Muruntau** in Uzbekistan in the Soviet Union.

East Drie, like Western Holdings a high tax payer, is to take over West Drie in a share *exchange deal worth around* R3bn, the largest ever agreed *merger in the history of the* mining industry.

This new supermine, which has still to be named, will also acquire title to the North Drie area, with its estimated 27m tonnes of ore on the rich Ventersdorp contact reef grading 14.3 grammes of gold per tonne. This is about twice the average of all the other gold mines in South Africa.

While North Drie is certainly rich enough to warrant the setting up of a complete new mine, Gold Fields has seized the opportunity to solve several problems at a stroke.

West Drie is now past its best, and has increasing amounts of spare capacity which can most profitably be used to treat ore from North Drie.

In addition, this capacity will be used to speed up the exploitation of East Drie, which has a life under present circumstances of more than 70 years. The new operation looks to a combined life of around 50 years, which will mean a faster *extraction rate at East Drie.*

Any capital expenditure on the North Drie lease—at present two ventilation shafts look to be the only major items—can be offset against East Drie's high tax payments.

Beyond that, most of the enormous capital cost of setting up a new mine will be avoided by mining North Drie from extensions to the existing West and East Drie shaft systems.

An additional benefit to the scheme is that it will permit the early mining of ore in the existing inter-mine boundary pillars, which the mines are required to leave between separate operations. These pillars are estimated to contain about 28 *tonnes of gold, worth around* worth around R350m.

East Drie shareholders who feel any regret that the life of their investment will fall from 70 to 50 years should be comforted by Gold Fields' claim that the accelerated development of the eastern part of the new operation will hasten and increase the flow of dividends.

West Drie holders will receive 40.1m new shares in East Drie in the ratio 285 for 100, while Gold Fields of South Africa gets 7.4m new shares in return for the North Drie mining lease.

GFSA will be the new company's major shareholder with 30.5 per cent, while London's **Consolidated Gold Fields** will have a direct stake of just under 10 per cent plus an indirect interest of around 15 per cent through its 46 per cent holding in GFSA.

America's **Texasgulf**, which did some drilling work at North Drie, will have an interest of about ¼ per cent in the new company. The company also receives R36,500 in cash.

Gold Fields' plan, without any doubt, constitutes "Supermine II." The producers of the *Superman films have promised* us another sequel, bringing further adventures of the "Caped Crusader." What, one wonders, could that other Cape produce in the coming months by way of a follow-up?

One possible place for a similar merger might be with the adjoining **Kloof, Libanon** and **Venterspost** properties, all owned by Gold Fields. For such a deal to make economic sense, one of these mines would have to prove up an adjacent area.

It is therefore interesting that Libanon has a prospect to the east of its existing boundary, just north of Kloof, while Venterspost has recently resumed exploration of the Middlevlei ground further north.

TIN OUTPUTS COMPARED

	Mar., 1981 tonnes	Feb., 1981 tonnes	Total to date (months) tonnes		Same period previous year tonnes
Amal. of Nigeria (tin)	¶	170	1,508	(11)	1,583
Amal. of Nigeria (columbite)	¶	*18*	*207*	(11)	264
Aokam	100	107	909	(9)	1,372
Ayer Hitam	107	93	1,036	(9)	1,434
Berjuntai	253	243	3,058	(11)	3,612
Bisichi Jantar (tin)	¶	¶	199½	(9)	219
Bisichi Jantar (columbite)	¶	¶	247	(9)	265½
CRM Sri Timah	51½	42¾	149½	(3)	271
Geevor‡	147	142	1,252	(12)	1,079
Gold and Base (tin)	¶	18	35	(2)	51
Gopeng	139¼	123¾	777¼	(6)	989¼
Idris	8½	7½	21¾	(3)	55¾
Kamunting	14	11	63	(12)	431
Kinta Kellas	36½	33	396½	(12)	449
Kuala Kampar	17	16	247	(12)	278
Malayan	662	550	4,710	(9)	2,634
Pahang	116	90	861	(8)	940
Penkalen	—	—	23	(6)	90
Petaling	94	98	437	(5)	710½
Rahman	¶	104	835½	(8)	558½
St. Piran—Far East	¶	13	139	(11)	167
St. Piran—UK (South Crofty)	¶	204	1,903	(11)	1,827
St. Piran—Thailand	¶	39	631	(11)	902
Sungei Besi	96	106	1,368	(12)	2,009
Tanjong	8½	13¼	38¼	(3)	33½
Tongkah Harbour	52	54	314	(9)	328
Tronoh	53	46	156	(3)	400

‡ Figures include low-grade material . ¶ Not yet available. Outputs are shown in metric tonnes of tin concentrates.

The guru and the President

NEW YORK

DAVID LASCELLES

THE MARKET flirted with an eight-year high this week, gingered up by plenty of takeover action and some good news on the economic front. But somehow it lacked the steam for a big advance. Analysts are muttering words like "overbought." and interest rates continue to be bothersome.

Monday's close was the highest since January 1973 when the market was on a pell-mell tumble from its all-time high of 1051 that was to take it all the way down to 577. *Shares that day were pepped* by news that GNP had grown at an astonishing 6.5 per cent annual rate in the first quarter. What's more, the GNP deflator, a good inflation guide, was down three points to 7.8 per cent. The pace may have slackened a bit since March, but this was good news for the industrials.

Star performers included *General Motors which rose $5* by Thursday to $57, and Ford which rose $2 to $25. Both were helped by the growing likelihood of Japanese self-restraint on car imports into the U.S. Declining fuel prices also gave a good boost to the airlines. American Airlines was on the most active list several days and helped keep the Dow Jones Transportation Index close to the record it set last week.

But the other side of the coin was put by Wall Street's best-known gloomy guru, Dr. Henry Kaufman of Salomon Brothers, who gave another of his speeches predicting record intrest rates soon. His forecast contained little that was new, but be coupled it with a depressing analysis of the dangers in the Reagan economic package. He says it risks overheating an already expanding economy, and will push interest rates and inflation up with it. Dr. Kaufman would rather the administration concentrated on balancing the budget as soon as possible than on cutting taxes.

This all added to Wall Street's already great confusion about the package. It swings from the brightest optimism to the darkest gloom at the wag of an economist's tongue, and it is obvious that until a good part of the budget measures are on the statute books, the stock markets will be on "hold." Next week's resumption of congressional debates and Mr. Regan's economic address on Tuesday will be carefully watched.

Another big deal proved that this year's unprecedented multibillion dollar take-over wave is not yet over.

Nabisco and Standard Brands, two leading names in the packaged food industry, took the market by surprise by announc*ing a merger agreement.* It really is a merger, not a take-over in disguise to spare the target company's feelings. Shares in both companies (which are about the same size with $3bn of sales) will be exchanged for shares of a new company to be called Nabisco Brands, and the Board will be composed equally of directors from each.

Both companies are flush with cash and had been known to be looking around for acquisitions (Standard Brands was in the contest for Liggett Group last year, which was eventually won by Grand Met) but analysts were looking for something more conventional, and smaller, the deal seems designed to give the two companies added marketing muscle, particularly overseas which both view as the main growth area.

The deal was also surprising because it seemed to be asking for trouble from the anti-trust authorities. The companies are in similar lines of business, and their combination will produce a giant in the food sector. But there is a develish mood in Wall Street at the moment.

The merger-makers seem determind to take advantage of what they expect will be a more lenient anti-trust stance by the *new Reagan Administration,* though it has yet to be spelt out in detail.

It will be extremely interesting to see whether Nabisco Brands is challenged, and if so, how strongly.

Smaller, but possibly more significant was American Express's $800m plus take-over of Shearson Loeb Rhoades, a deal that could shake up the whole financial services industry and bring closer the day of the giant international financial conglomerate. It triggered considerable speculation of more bids in the offing, and stock-broking issues advanced strongly, but it, too, could run into anti-trust problems.

As expected, the oil companies produced some disappointing first quarter earnings results, and oil stocks were weak all week. Mobil was down 25 per cent, Exxon 17 per cent, and Standard Indiana 35 per cent. They all blamed the sluggishnes of the oil products market. One of the few bright spots was Sohio, BP's U.S. subsidiary, which managed an increase of 15 per cent because the bulk of its business is in exploration and production, which is still buoyant.

For similar reasons, the chemical giants did badly. Dupont was off 16 per cent and Union Carbide, 59 per cent, though the drop was exaggerated by extraordinary gains last year. Analysts have begun to look for an upturn in the chemical industry, though, and chemical shares are doing better. Both Dupont and Union Carbide gained a dollar on the day they released their earnings.

Monday	1015.94	+10.36
Tuesday	1005.94	−10.00
Wednesday	1007.02	+ 1.08
Thursday	1010.27	+ 3.25

FINANCE AND THE FAMILY

Residence a question of fact

BY OUR LEGAL STAFF

Prior to my mother's death some months ago, I lived with her in her house for six months, though on about two nights each week I stayed with friends who lived nearby. Since my mother's death, I have lived at my friends place, in order to take care of it during their absence. Meantime I still eat, bathe and keep my clothes in my late mother's house. I still keep on her old housekeeper, and have spent £3,500 on the house recently. I do not own or rent any other dwelling and want to have mother's tenancy transferred to me, but the landlords claim that it is not my residence. If the matter came to court, who do you *think* would win?

A permanent residence is where you actually reside, and is a question of fact. It is not necessary to reside there continuously. However, in your case it is quite possible that a court would hold that you had not yet acquired permanent residence with your mother, as much because the residence was "colourable" as because of your occasional nights away. To determine the position with any accuracy it would be necessary to examine in detail the whole history of your residential pattern over a few years before your mother's death. The landlord may, but is not bound to, succeed.

Seller kept in ignorance

I want to buy a building from a company which would, I think, be unwilling to sell to me for business reasons. Without any such complications as having to pay two lots of stamp duty, is there any way in which I can buy through a friend without the seller being aware to whom he is selling?

You can purchase through a friend and then the friend can direct that the conveyance be made direct to you. Stamp duty would only be payable once in that event.

Licences for a flat

From reading your columns in recent years, I understand that by granting individual licences to two or more persons to share the whole of a flat, the occupation is outside the Rent Acts and consequently the licencees are obliged to vacate the flat at the end of the licence period.
Would you consider it safe to grant new licences to the same licencees without obliging them to quit?

Although it is theoretically possible to grant successive licences to the same persons, in practice it is unwise to do so.

Agricultural right of way

My neighbour as a right of way through my garden "for agricultural purposes only over the roadway coloured brown" on a plan attached to a conveyance dated 1971.
I wish to plant a hedge either side of the way. Is it sufficient to take the most accurate possible measurements from the conveyance plan in order to determine the physical extent of the right of way?
Some of my neighbour's agricultural vehicles are wider above wheel-base than the way (as defined either by the conveyance plan, O.S. map or present surface). Am I obliged to make provision for such vehicles? Might my neighbour acquire a right to an extra width of way if I were to make provision for wide vehicles when planting my hedges?

You can plant your hedges on the basis of measurements taken from the conveyance plans, but you should make allowance for the full width of the larger agricultural vehicles. This will not affect the width of the way granted, which will already be determined by the width of such vehicles.

Will without an executor

I am executor of an estate and understand that if I die before administration is complete, the responsibility for carrying on the administration will fall upon my executor. Can this be avoided as follows:
1—By the executor of my will renouncing this office, leaving it to my next of kin to apply for Letters of Administration with the will attached. If this is done presumably the laws of Intestacy would not apply, and the terms of the will made by me would have to be carried out?
2—By my leaving no will, in which case the Intestacy laws would apply but would this cause any problems as the main assets—house, Building Society shares, National Savings Certificates are held in joint names of myself and my wife and my half share would be well under £25,000 excluding the half share of the house.

Either of your solutions would be effective; but it would be safer for you to execute a will which does not appoint an executor, in which case an administrator would be appointed by letters of administration with the will annexed, and he would have to implement the terms of the will. Once administration of the estate of which you are executor is completed you can, by codicil, appoint an executor of your will.

A deed of appointment

My brother who was co-trustee in my sister and my late father's estate, has recently died. How does my sister appoint me in his stead? Who has to be informed?

Your sister should execute a deed of appointment. No one other than the beneficiaries needs to be informed.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Purchase made for gain

In April 1975 I bought the lease of a house in London for £3,000. Three months later the ground landlords offered me the freehold for £25,000. This I bought and resold at the same time in September 1976, for £42,000. Before the transaction took place I asked the solicitor how I would stand over CGT on such an immediate profit. He assured me that the change from leasehold to freehold was an improvement of tenure and as my occupation of the house had been for a substantial period of time I would not be liable to CGT.
I now understand that a claim for CGT is pending. Neither my present solicitor nor my accountant seem quite clear about the improving tenure proposition. Can you advise me please?

Your former solicitor appears to have overlooked paragraph 2 (1) of schedule 12 to the Finance Act 1968 (now re-enacted as subsection 3 of section 103 of the Capital Gains Tax Act 1979): "Section 29 of the Finance Act 1965 shall not apply in relation to a gain if the acquisition of, or of the interest in, the dwelling-house or the part of a dwelling-house was made wholly or partly for the purpose of realising a gain from the disposal of it, and shall not apply in relation to a gain so far as atributable to any expenditure which was incurred after the beginning of the period of ownership and was incurred wholly or partly for the purpose of realising a gain from the disposal."

Tax for an association

I am the Treasurer of the Residents' Association of a small bock of flats. For some reason, the Association has been formed into a company, with the result that when we build up balances for some foreseeable large bill, we pay corporation tax on the interest earned. As the rate is 40 per cent and hardly any of us pays more than the standard rate of income tax, if that is there some other legal status which would suit us better? The reason why the Association accumulates the balances is that some on small incomes ask me to hold their instalments for them, rather than being faced with a large bill when the time comes.

The decision to form a company was undoubtedly right. Even if yours were an unincorporated association, it would still be taxable in the same way, because corporation tax applies to unincorporated associations as well as to companies.

If you mean that some people are paying money into the Association voluntarily, beyond what is demanded from them at the time, then the solution appears to be for such advance payments to be made into (say) deposit accounts in the individual residents' own names. It remains their own money and the interest is, of course their own income. When the time comes for the money to be paid over to the Association, this could be done by you, for example, if each resident instructed the bank (or other deposit-taking institution) to accept your instructions for withdrawals from his or her account.

You may like to discuss the position with the Association's auditors and/or legal advisers, bearing in mind that one of the residents might move away (or die) whilst there is a substantial balance on such a deposit account in his or her name.

So many people living in glass houses

INSURANCE

ERIC SHORT

PEOPLE LIVING in private apartments form a small minority of house owners. The *Sun Alliance Insurance Group* estimates that about 4 per cent of owner-occupied properties are private flats. Hence their householder insurance needs have been neglected until now.

A person who buys an apartment needs to *insure the buildings*, or at least his share of the structure, against the usual perils of fire, storm damage, floods and other disasters. But at present all he has available is the ordinary householder policy that was designed to cover a different kind of building.

Now *Sun Alliance* the leading insurance company in buildings insurance, has designed a special contract for apartments under the mundane name "Blocks of Flats Insurance."

The basic difference between houses and flats is that the owners of flats share certain responsibilities collectively. The stairs, lifts, corridors, basement garage space, and the porter's room are all used by the resident. *These collective* items are known technically as "common parts" and need to be insured against the usual perils, since if the apartment block is *burned down they will need to* be rebuilt as well as the individual apartments.

Then these common parts usually have fittings—the corridors may be carpeted, there may be pictures on the walls. The porter's room will contain furniture. All these contents need to be insured collectively. *The householder's policy* is completely unsuitable for this type of contents cover.

Sun Alliance's experience has been that its householder policy is quite unsuitable for insuring apartments whether taken out by the individual residents or taken out collectively. For instance, with individual policies who claims if the roof is damaged? In the past, the insurance of the structure of flats *has been a real hotch potch,* with a variety of people responsible for insuring various parts of the apartment block.

This new policy from Sun Alliance is the first to be designed specifically for apartment blocks, covering the complete building under one policy. Thus it would include the common parts together with the contents of the common parts, plus liability to the public and *liability to any employees.* Most apartment blocks employ persons either full time or part time in the running and maintenance.

The sum insured under the policy is fully index-linked and includes escalation of costs during rebuilding. If a block is so damaged that it needs to be completely rebuilt the policy covers the whole cost no matter how long it takes to rebuild. The *policy also provides cover* against the costs of residents finding alternative accommodation while repairs or rebuilding takes place.

The Pryors, Hampstead, a typical old apartment block

The policy can be taken out by the freeholder or the management company responsible for the property or by the head lessee. Or it may be taken out by the flat occupiers themselves acting within an association.

If the freeholder or somebody acting for him takes out *the insurance the premium* can be included in the ground rent. If the occupiers in association *take out* the insurance then the split of the insurance per premium is a matter for negotiation.

Either it can be done on a straight equal division between all the occupants. Or, on a fairer basis, it can be divided *pro-rata* in line with rents, so that the penthouse apartments pay more than the ground floor flats. Premiums can be spread over 12 months to help with cash flow problems.

The insurance of the contents of apartments should be done separately and this presents no problems.

New companies and gobbledegook

TAXATION

DAVID WAINMAN

THE "business start-up scheme" which the Chancellor is enacting in the Finance Bill is the *latest part of a package of* reliefs designed to encourage investment in small trading companies.

The man who lent money to a trader and lost it was given, in 1978, the right to treat his loss as offsettable against any capital gains he might realise in the same or a subsequent year. In 1980 a different arrangement was introduced, aimed again at those who had lost their investment, but in this case an investment in the form of shares subscribed (not *purchased*), in an *unlisted* trading company.

A person who put up such ordinary share capital could deduct against his taxable income the amount he had lost, whether the business had folded or he had merely sold at a loss. The tax relief granted was thus at the highest tax rates at which the individual would have been liable in the year concerned.

Now in 1981 we see a further instalment of the saga.

Sir Geoffrey Howe has trumpeted a great business start-up incentive. Individuals who *subscribe for shares* so as to become outside, minority, investors can take a tax deduction against income when they subscribe—whether the company into which they put their money later succeeds or fails.

These various sections in the tax law are designed to encourage taxpayers into generally beneficent activity, and to reward them with reliefs when they do so stir themselves. As one might therefore expect, each section bristles with the detailed conditions which are the Revenue's preconditions for giving relief.

In the Finance Bill, for instance, there are laid down the definitions of the shares in which the individual must invest if he wants his immediate tax deduction. (There are also upper and lower *limits* on the investment, definitions of what is meant by an outside, *minority*, investor, rules for what happens if that investor sells his shares, gets paid out otherwise by the company, or dies: only a masochist would want all these 17 pages of gobbledegook recited on a Saturday morning in April and only a sadist would oblige him.)

Let us look merely at the company in which the investment is to be made and the shares to be subscribed for. They must be fully paid ordinary shares, and the company must have no other classes of shares. It must be incorporated in the UK, in tax terms be "resident" there, and carry on its trade of the greater *part* of it there.

The company must not be, or have, a subsidiary. As a separate condition, it must not con*trol, or be controlled* by, another company—the concept of control here involving the possibility that one "exercises, or is able to exercise, or is entitled to acquire, control whether direct or indirect," over the other, including in particular the ability to obtain a majority of votes, or of distri*butable income or of assets in a* winding up.

Thus far neither phraseology nor thinking differ from the standard anti-avoidance approach. But Sir Geoffrey has broken fresh ground in his last *two requirements.* He demands that the company be "new" and that it exists to carry on a "new qualifying trade."

The definition of a new company is straightforward. It is new for a period of three years from the date it starts business.

The trading desiderata are less simple. Farms, woodlands and hobbies do not qualify and nor does any of the activities listed with disapproval by the draftsman: his list includes *dealing in commodities, shares* or land; banking, insurance, leasing and other financial business; and providing legal and accountancy services.

But the draftsman also stipulates that the company's trade must *be "a bona fide new venture."* He specifically excludes from this the company which takes over part of the trade of another company or individual, where that other continues to carry on the remainder of the activities alongside those hived off.

Secondly, and perhaps more *important,* the *draftsman* excludes the company which takes over the trade previously carried on by a proprietor or director as an unincorporated business if he had started it more than three years before the issue of shares on which relief is being claimed.

This second exclusion may be considerably more restrictive than the definition of a "new company" already noted. That company remains new for three years from the date it starts trading, and can during *that period issue shares* on which relief can be claimed.

But if the company takes on a previous, unincorporated, trade then the three year period for the issue of shares runs from the commencement of that unincorporated business.

Finally, those Revenue-watchers who try to divine a pattern in fiscal legislation will be unsurprised to find that the Bill *envisages the company's* being locked for a period into its new qualifying trade, in the same way as the individual is discouraged, on pain of losing his tax relief, from disposing of his shares. The period, in both cases, extends for five years after the share issue.

YOUR SAVINGS AND INVESTMENTS—1

Is the equity market out of touch? **Barry Riley** reports

In the bull ring

THIS WEEK unemployment pushed through the 2.5m level at the same time as the F.T. 30-Share Index reached new record highs and moved within striking distance of the 600 level. Does the stock market know something that most people don't? Or is it simply living in a frenzied speculative world of its own, completely out of touch with the real world?

The average industrialist is certainly likely to be perplexed by what has been happening to his share price this year. In the middle of January, when the F.T. Index dipped below 450, his share price will have been languishing. Yet now, after a Budget which was generally reckoned at the time to have given industry a kick in the teeth, his share price is probably standing around 30 per cent higher.

It is true that industrial conditions are a shade less gloomy than they were four months ago. On Wednesday, for instance, Sir Maurice Hodgson, chairman of ICI, brought news of a modest recovery in output in March. But it is all very marginal so far.

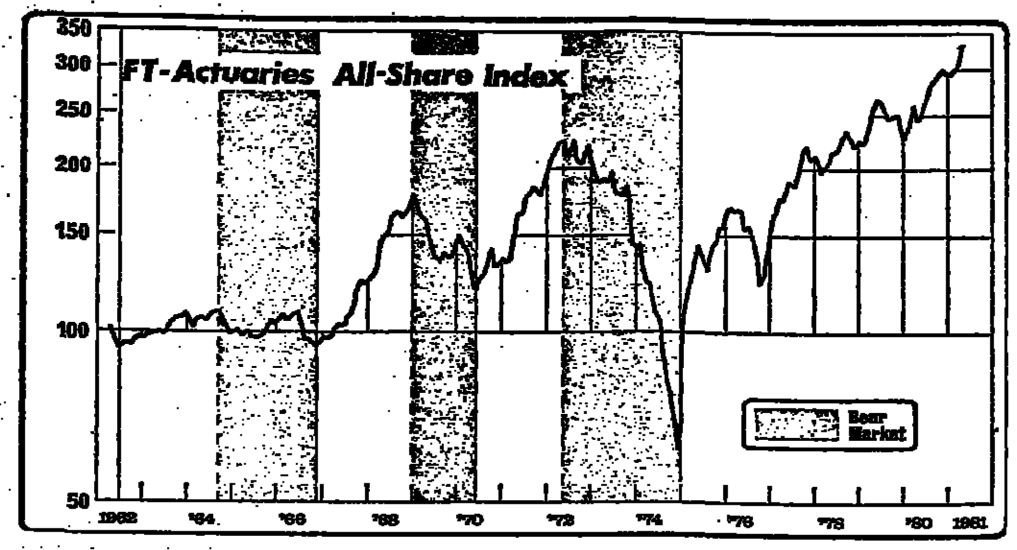
In a strict sense the stock market is indeed out of touch with actual events. It is fed a diet of out-of-date profit statements—hardly any of the currently appearing results announcements deal with events beyond the end of 1980—and relies heavily on hints dropped by company directors at City lunch tables.

But in another sense share prices very closely reflect the economy—the money economy. People buy shares because they have money to spare—money which they do not need, or want, to spend on goods. When that pressure of surplus money becomes strong enough to drive the market sharply higher, there must be at least a good chance that the demand will also spill over more strongly into the real economy of goods and services.

Historically the equity market has been remarkably successful as an early indicator of an economic upturn—so much so that the Central Statistical Office has chosen the 500 Share Index, one of the series jointly compiled by the FT and the actuarial institutes, as a constituent of its composite index of longer leading indicators.

The choice underlines the way that the equity market has faithfully reflected the ups and downs of the economy over a period of many years. These equity market cycles, the alternations of bull and bear markets, have varied widely in amplitude but at least until recently they kept reliably to a period of four years or thereabouts.

Strong markets were seen in 1963 and 1964, again in 1967 and 1968, and once more in 1971. The most vigorous upswing of all came in 1975. In between these dates came marked bear phases in 1966, 1969 and most spectacularly in 1974.



Classically, equity bull markets gain momentum at times when the economy is depressed, when profits and dividend rises are poor, and there seems no obvious reason to be optimistic. They reach their peaks when the economy is at last getting into its stride. And by the time the industrial production cycle is hitting its high point, amidst overheating, bottlenecks and sharply rising interest rates, the equity market has long since headed downwards into its next bear phase.

In practice, of course, the cycles of the stock market are not completely regular. False signals may be given in the short run by rogue bull or bear markets. At the time, the pattern is rarely easy to pick out.

And it has to be said that since 1975 the regular cycle has largely broken down. In the past few years the FT-Actuaries All-Share Index—a better measure of broad market performance than the more narrowly based 30-Share Index—has shown comparatively little fluctuation around its regular uptrend. The only real exception was the rogue bear market of 1976 at a time when the sterling exchange rate was collapsing.

Why this should be so is not entirely clear, though it may relate to changes in economic management. The old Keynesian pattern of alternate stimulation and retrenchment by the Chancellor has been replaced (under both Labour and Conservative administrations) by a more monetarist approach.

And investment is much more of an international affair than it used to be. Footloose funds roam the world's markets looking for profitable places to stop just a while. British investors are no longer dammed up in the UK, as they were until exchange controls were abolished in 1979. So the London equity market cannot move all that far out of line with the world trend.

But whatever the differences, it is also true that many of the classic bull market factors are present. The economy is depressed, but with just a hint of recovery. Interest rates have been falling, even though slowly, and on balance the next change is also expected to be in a downwards direction.

It is noticeable that the 30-Share Index has been more volatile than the All-Share, which has been held up by the big weighting of energy and financial stocks. Just recently industrial shares have at last begun to outperform the market as a whole.

So what makes the current performance of the stock market particularly intriguing is not that prices in general have especially stratospheric levels. The All-Share Index is only about 5 per cent higher than it reached last November. The challenge is that this, amidst an industrial recession of almost unprecedented proportions, is British industry's bull market.

On your marks...

ON THURSDAY of this week the World Bank announced that it was paying over 10 per cent to borrow D-Marks for 10 years. While such a yield might seem extraordinarily modest for U.S. dollars or sterling, it is close to the highest rate seen on DM bonds since the early 1970s.

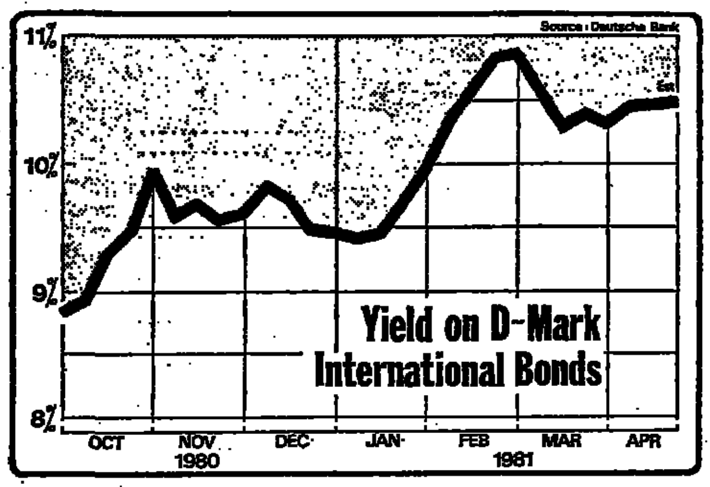
The DM 150m issue, which has been priced to yield 10.04 per cent, has already proved a great success among foreign investors. Some institutions clearly believe that the DM is poised to recover ground on the foreign exchanges after two years of steady decline and that DM interest rates are close to their peak.

Such an optimistic prognosis is certainly open to doubt. West Germany has still not succeeded in narrowing significantly its enormous current account deficit, which lies at the heart of the DM's malaise, even though the central bank's policy of keeping money rates high has relieved the pressure on the currency for the moment.

DM interest rates are most unlikely to fall until there is a marked downward movement in U.S. rates and the market has already been proved wrong on that score too many times for bond investors in any major currency to feel secure.

The extent of the German public sector borrowing requirement is itself likely to hold bond yields up this year. The Federal Government has already raised around half of its 1981 gross requirement, which is expected to total a record of between DM 70bn and DM 75bn. But government agencies, such as the Post Office and the railways, as well as the regional "Land" governments, also have heavy programmes and are not so far advanced in meeting their requirements.

The fact that the World Bank bond was halved from the originally planned figure indicates that not everyone is convinced of the virtues of DM paper. Some institutions would still argue, that with yields running into double figures and the DM at almost 2.20 to the dollar, the potential profit from such an investment outweighs the risk.



For the private investor, the Eurobond market almost certainly represents the best way into fixed interest D-Mark securities. The domestic market, dominated by state sector borrowers, offers competitive yields but foreigners are subject to a 25 per cent withholding tax on interest pyaments. This tax charge can be offset against UK tax liabilities but investors who have tested the double-taxation procedures have found them cumbersome and subject to delay. It can take at least a year to recover the tax.

Another possibility is the Schuldscheindarlehen, the equivalent of a promissory letter. Maturities can range from one to 20 years though issuers (principally state sector bodies) are not interested in issuing long-term paper at current interest rates. Interest is not subject to withholding tax and yields are generally a little more attractive ... than on domestic bonds of an equivalent maturity but there are drawbacks over and above the complication of pronouncing the name of the instrument.

The minimum investment for Schuldscheindarlehen is around DM 1m (£210,000), which confines interest in the market largely to institutional investors. Another problem is the highly inefficient secondary market in the paper. At times it can be effectively unsaleable.

The secondary market in Eurobonds is very slow at the moment, particularly for bonds with long maturities, but a major German bank should be able to find a buyer for small quantities of paper. DM Eurobonds are often issued on denominations of DM 1,000 (£210) and they can be traded in lots of 10 or les so the entry requirement for the market is fairly low. Like the Schuldscheindarlehen, they do not incur withholding tax.

In common with some other major capital markets,—though not the UK—the yield curve on DM paper slopes backwards. One year paper is yielding around 12¼ per cent while maturities of 7 to 10 years are returning between 10 and 10.2 per cent. In between, investors can obtain roughly 11½ per cent for two years, 11 per cent for three, 10.7 per cent for four, 10.6 per cent for five and 10.5 per cent for six.

Yields will clearly vary a little on the euromarket, depending on the quality of the borrower. A less prestigious borrower than the World Bank would have to pay a few percentage points more.

John Makinson

YOUR SAVINGS AND INVESTMENTS—2

FINANCIAL ADVICE

The merchant banks: **Tim Dickson** continues the series on where to go for financial advice

No sales mumbo-jumbo

MERCHANT BANKS first got involved in personal portfolio management by investing the fortunes of families which founded them. From such cosy beginnings it was natural to extend this private service to relatives and friends of the partners and ultimately to the families of contacts developed through other parts of the business.

In the past few years merchant bank investment management has expanded rapidly—thanks mostly to the relentless cash flows of the pension funds. Like a number of stockbrokers, however, many banks are displaying more enthusiasm for the private investor. From their point of view he is generally loyal, less sensitive about fees than the often touchy pension client, and comparatively cheap to service efficiently given the greater sophistication these days of dealing systems and portfolio records.

Although most are far too tactful to say so publicly, merchant banks are a bit fussy about just who they take under their wing. Some surprisingly are keen to offer a limited service to those with little more than a few thousand but discretionary management is seldom possible without a six figure portfolio.

For this reason perhaps the merchant banks do not actively seek private funds and there is a refreshing absence of the worst kind of marketing mumbo jumbo.

Some merchant banks have formal minimums for discretionary management; in other cases it may well be an effective minimum of at least £100,000. Whereas stockbrokers usually make no separate charge for discretionary management, merchant banks do and are mostly proud of the fact. It is likely to vary between ½ and 1 per cent of the total value of the portfolio.

The merchant banks argue, of course, that stockbrokers have to make a living somehow and while there may be no formal fee for portfolio management, "even the most respectable" must be tempted to increase turnover to generate their bread and butter, namely commission. At least, the banks say we do not have that conflict of interest.

Stockbrokers tend to counter that merchant banks do get special deals on commission—some of it is returned to them—while by virtue of the large portfolios they manage they are often in a position to reduce brokerage costs. For example, if a merchant bank decides to sell 10 parcels of £5,000 Marks and Spencer as one £50,000 lot, commission on the deal will be lower than the total paid by 10 individuals acting alone. This advantage is seldom passed on.

As a general rule it is probably true to say that merchant banks are likely to be more orientated towards international investment than stockbrokers whose main business, after all, is dealing in UK stocks and shares. Now that exchange controls have disappeared stockbrokers are increasingly keen to emphasise their overseas expertise and in some cases they have made great strides.

On the details of general portfolio management, merchant banks point out that their customers do benefit from bulk purchasing of blocks of shares which periodically pass through the Stock Market. Discretionary clients can, therefore, sometimes expect to get their slice of the goodies at perhaps a 3-4 per cent discount to the market price.

A more important point is the role of merchant banks as underwriters. Cynics occasionally suggest that unsuccessful new issues which end in the hands of a bank's corporate finance department, are quietly unloaded on the unsuspecting private client. Those interviewed firmly reject the practice but they do admit that the temptation is always there—no harm can be done if investors keep a weather eye both on stock market flops and the content of their portfolios.

On the question of overall financial planning merchant banks are often on weaker ground than other possible advisers. Most will carry an in-house tax expert and all, of course, will make sure that they are familiar with both a client's income and capital gains tax position. Beyond that they are more likely to pass problems on to the accountant or lawyer which most of them expect their clients to employ. Here is a selection of merchant banks and their services.

N. M. Rothschild. No strict minimum for discretionary portfolio management but £¼m-£½m is the effective lower limit. Investment mostly direct into equities but in house unit trusts or more likely offshore funds could be used for overseas markets. In this case the fund's management fee would be offset against the 0.7 per cent annual charge on the portfolio. Rothschild also runs a special service for clients with £50,000 or more but the money in this case is mostly divided among the group's own funds. According to Mr. Richard Katz, a director of the bank, "we do not get involved in the personal financial consultancy area."

Guinness Mahon. Effective minimum for discretionary portfolio management is about £100,000—some clients for historic reasons non-discretionary but not encouraged. Charges are ½ per cent of the value of the portfolio. Mr. Howard Flight, an assistant director, points out that the bank is particularly keen on international diversification. There is an in-house tax expert but Guinness Mahon is not in the business of giving overall financial planning.

Kleinwort Benson. About £200,000 is the minimum for discretionary management with the charge fixed at ½ per cent of the portfolio per annum or £1,000 minimum. Occasional use of in-house funds but no double charging. Smaller customers, according to Kleinwort's Mr. Jack Ernest, are certainly not turned away. Likely to be put into in house vehicles with ½ per cent on top of fund's charges. "If somebody comes to us having won the pools we can provide tax and estate planning and overall financial planning through our trust department." Fee would depend on the amount of work undertaken and the commission generated from any business.

S. G. Warburg. Minimum for discretionary management £100,000—not interested in non-discretionary portfolios. Charges ½ per cent per annum. Investment may be made in offshore funds or even one of Warburg's range of authorised unit trusts which the bank is currently developing—again, no double charging. Value of total private clients funds somewhere between £300m-£400m which include a number of family accounts. On tax planning problems Warburg likes to work with financial advisers like accountants. Private client accounts, the banks say, is a side of the business it is certainly keen to develop.

Channel swimmers

ALTHOUGH UK investors are only just beginning to put their toes into overseas waters, offshore currency funds have attracted a significant following in the last few months. Merchant bankers N. M. Rothschild, for example, looks after $59m in Old Court International Reserves — essentially 10 separate currency portfolios where a small investor makes his own choice — while Britannia's Jersey - based Managed Currency Fund, which offers active management, has pulled in £1.7m since its launch last September. The latest company to jump on this particular bandwagon is Vanbrugh Life, fast growing unit linked insurance subsidiary of the mighty Prudential, which has just formed a new offshore investment company.

In a new departure for the group Vanbrugh Currency Fund, a Jersey registered company, will have no insurance links and will operate like a normal open ended unit trust. The key to the management of the fund will be the foreign currency specialists from the Pru's investment department, which looks after an international investment portfolio in excess of $1bn.

Like other currency funds, Vanbrugh's will shun bond and equity markets, restricting itself to short term bank deposits and money market instruments in major currencies, including sterling. The income is likely to be volatile and Vanbrugh emphasises that only those interested in capital growth should apply.

Vanbrugh's Mr. John Stone explained this week that the original aim was to tap the expatriate market. After the removal of all barriers to overseas investment, however, Vanbrugh hopes UK residents will be iterested and to help market the fund it has arranged a Stock Exchange quote.

Vanbrugh not surprisingly argues that the timing is right. The company's investment director Mr. Michael Newmarch argues that an economic upturn in the UK will suck in imports, worsen the UK's current account and weaken sterling.

Over the next 12 months Mr. Newmarch is most bullish about the D-Mark and feels the dollar will remain strong if the strict Volcker policies are not modified by the Reagan administration.

Tim Dickson

The Association of Investment Trust Companies

THE INVESTMENT TRUST TABLE

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

as at close of business on Monday 20th April 1981 — Geographical Spread at 31st March 1981

Total Assets less current liabilities (1) £ million	Company (2)	Share Price (3) pence	Yield (4) %	Net Asset Value (5) pence	UK (6) %	Nth. Amer (7) %	Japan (8) %	Other (9) %	Total Return on N.A.V. over 5 years to 31.3.81 (10) base=100
	VALUATION MONTHLY								
197	Alliance Trust	267	5.6	351	58	32	5	5	169
163	British Invest. Trust	157	6.1	254	64	29	6	1	160
17	Grange Trust	132	4.0	165	69	24	1	6	202
92	Great Northern Invest. Trust	137	6.9	187	70	15	7	8	187
112	Investors Capital Trust	115	3.8	160	43	35	13	9	179
26	River Plate & General Invest. Trust	131ac	5.7	165ac	75	8	–	17	244
15	Save & Prosper Linked Invest. Trust	122	–	208	100	–	–	–	156
179	Scottish Invest. Trust	143	4.3	190	44	36	6	14	183
†	Scottish Northern Invest. Trust	117	3.8	†	†	†	†	†	†
150	Scottish United Investors	60ac	3.6	78ac	35	38	9	18	184
66	Second Alliance Trust	230	5.3	331	58	32	5	5	171
4	Shires Investment Co.	149	10.5	160	100	–	–	–	179
109	United States Debenture Corporation	113	7.1	155	70	30	–	–	†
	Baillie Gifford & Co.								
165	Scottish Mortgage & Trust	159	4.8	218	40	41	10	9	177
82	Monks Invest. Trust	75	4.5s	101	38	42	10	10	180
20	Winterbottom Energy Trust	66ac	1.3	76ac	4	89	–	7	183
	Baring Bros. & Co. Ltd.								
57	Outwich Invest. Trust	74	5.1	97	63	14	9	14	194
36	Tribune Invest. Trust	102	3.8	135	44	27	12	17	172
	Drayton Montagu Portfolio Management								
10	British Indust. & Gen. Invest. Trust	149	4.8s	194	54	13	15	18	164
3	City & Foreign Invest. Trust	86	0.0	87	7	93	–	–	†
12	Colonial Securities Trust	54ac	7.9	77ac	68	16	3	13	†
66	Drayton Commercial Invest. Co.	165	6.1	238	61	11	10	18	†
90	Drayton Consolidated Invest. Co.	179	6.1	257	61	10	12	17	153
11	Drayton Far Eastern Trust	82	2.2	88	17	–	26	57	†
103	Drayton Premier Invest. Trust	220	6.6	325	62	13	9	16	†
19	English and International Trust	124	5.8	178	62	18	6	14	181
7	Montagu Boston Invest. Trust	58	2.6	72	2	98	–	–	†
19	xCity & Commercial	298	–	363	96	2	–	2	†
17	xDualvest	470	–	606	82	5	1	12	217
15	xFundinvest	154	–	181	93	3	–	4	218
46	xTriplevest	400	–	537	76	11	1	12	†
	East of Scotland Invest. Managers								
63	Aberdeen Trust	135	6.0	185	77	21	–	2	188
	Edinburgh Fund Managers Ltd.								
86	American Trust	70	*4.3	92	54	45	–	1	203
20	Crescent Japan Invest. Trust	292	0.5	302	–	–	100	–	210
18	General Scottish Trust	63	6.6	85	68	21	6	5	212
12	New Tokyo Invest. Trust	125	0.0	120	–	–	100	–	†
11	Wemyss Invest. Co.	378	7.2	500	72	17	1	10	172
	F & C Group								
36	Alliance Invest. Co.	206	3.5	255	51	22	16	11	238
35	Cardinal Invest. Trust	150	4.3	200	60	15	4	21	224
6	F & C Eurotrust	53	3.9	63	34	3	–	63	111
296	Foreign & Colonial Invest. Trust	70ac	3.8	93ac	56	21	14	9	211
45	General Investors & Trustees	185	4.6	252	57	14	4	25	†
	Robert Fleming Inv. Management Ltd.								
38	Capital & National Trust	173	*5.6	243	68	17	5	10	197
18	Claverhouse Invest. Trust	138	6.6	179	99	1	–	–	258
16	Crossfriars Trust	122	6.7s	158	100	–	–	–	223
81	Guardian Invest. Trust	111	5.0	158	76	10	9	5	187
49	London & Holyrood Trust	157	5.2	223	66	19	5	10	189
35	London & Montrose Invest. Trust	108	4.8s	146	59	24	6	11	188
66	London & Provincial Trust	149	5.1	209	58	26	5	11	184
152	Mercantile Invest. Trust	65	5.6	88	53	30	6	11	214
54	Sterling Trust	223	6.1	316	68	21	6	5	172
41	Technology Invest. Trust	153	3.9	208	63	29	7	1	196
104	United British Securities Trust	167	6.0	233	62	21	6	11	189
30	United States & General Trust	263	5.7	372	73	17	3	7	183
	GT Management Ltd.								
33	Berry Trust	173	1.2	187	39	23	24	14	315
1	xChild Health Research Invest. Trust	180	–	174	56	15	14	15	†
23	GT Japan Invest. Trust	306	0.9	300	16	–	74	10	217
14	Northern Securities Trust	258	2.4	325	59	17	12	12	273
	Gartmore Invest. Ltd.								
10	xAltifund Ltd.	368	0.3	478	90	3	1	6	283
36	Anglo-Scottish Invest. Trust	69	5.0	99	61	26	1	12	201
42	English & Scottish Investors	71	*3.6	95	47	21	10	22	241
10	Group Investors	102	4.1	136	55	32	7	6	237
8	London & Gartmore Invest. Trust	117	1.2	159	36	22	7	35	177
13	London & Lennox Invest. Trust	46	5.6	65	55	23	–	22	182
32	London & Lomond Invest. Trust	108	5.0	153	71	24	–	5	210
16	London & Strathclyde Trust	74	4.1	100	62	21	–	17	192
20	Meldrum Invest. Trust	78	6.0	99	97	–	–	3	251
	Gartmore Invest. (Scotland) Ltd.								
104	Scottish National Trust	224	3.9	304	60	21	6	13	187
27	Glasgow Stockholders Trust	81ac	3.8	109ac	57	28	–	15	187
	Globe Administrative Services								
110	Electra Invest. Trust	59	6.2	71	68	21	–	11	205
390	Globe Invest. Trust	154	6.7	205	64	21	4	11	217
47	Temple Bar Invest. Trust	130	8.5	161	90	7	–	3	185
	John Govett & Co. Ltd.								
123	Border & Southern Stockholders Trust	88	4.2s	120	55	20	13	12	195
19	General Stockholders Invest. Trust	187	2.8	259	49	38	6	7	219
93	Lake View Invest. Trust	155	3.4s	197	51	15	12	22	200
100	Stockholders Invest. Trust	160	3.1	211	36	51	7	6	210
	Hambro Group								
33	Bishopsgate Trust	282	4.7	401	60	29	5	6	207
6	City of Oxford Invest. Trust	111	7.0s	147	100	–	–	–	257
72	Hambros Invest. Trust	188	4.0s	253	56	35	4	5	238
8	xRosedimond Invest. Trust	153	–	187	99	–	–	1	254
	Henderson Administration Ltd.								
178	Witan Investment Co.	146	3.5	200	52	26	17	5	206
32	Electric & General Invest. Co.	122	2.8	168	53	33	7	7	199
11	Greenfriar Invest. Co.	175	1.6	227	46	22	19	13	252
9	Lowland Invest. Co.	82	6.5	107	90	2	–	8	234
	Philip Hill (Management) Ltd.								
15	General & Commercial Invest. Trust	197	6.8	266	73	24	–	3	200
31	General Consolidated Invest. Trust	118	7.1	163	73	23	1	3	209
172	Philip Hill Invest. Trust	132	6.2s	174	73	23	–	4	207
8	Moorgate Invest. Co.	165	6.2	173	92	6	–	2	261
46	Nineteen Twenty-Eight Invest. Trust	88	7.1s	123	59	38	–	3	167
	Industrial & Commercial Fin. Corpn.								
14	London Atlantic Invest. Trust	104	6.2	124	81	11	–	8	232
9	North British Canadian Invest. Co.	116	5.9	135	98	2	–	–	†
	Ivory & Sime Ltd.								
88	Atlantic Assets Trust	240	0.6	287	47	49	–	4	409
†	British Assets Trust	101	5.4	†	†	†	†	†	†
59	Edinburgh American Assets Trust	102	1.1	122	24	64	5	7	236
34	Independent Invest. Trust	129	0.0	132	54□	43	–	3	†
†	Viking Resources Trust	99	1.2s	†	†	†	†	†	†
	Kleinwort Benson Ltd.								
37	British American & General Trust	50	6.8	71	61	25	8	6	†
35	Brunner Invest. Trust	79	5.0	105	53	30	8	9	231
45	Charter Trust & Agency	74	6.2	107	63	24	7	6	191
55	English & New York Trust	92	6.3	133	61	27	5	7	†
6	Family Invest. Trust	114	7.5	138	96	–	–	4	†
4	Jos Holdings	74	6.4	87	75	12	8	5	†
9	London Prudential Invest. Trust	113	6.0	150	70	18	6	6	†
73	Merchants Trust	99	6.0	138	57	29	7	7	†
	Lazard Bros. & Co., Ltd.								
65	Raeburn Invest. Trust	160	5.7	233	59	29	5	7	165
52	Romney Trust	121	5.2	172	49	39	6	6	174
	Martin Currie & Co. CA								
14	Canadian & Foreign Invest. Trust	145	5.2	207	58	33	5	4	171
24	St. Andrew Trust	150	6.0	208	61	28	6	5	173
129	Scottish Eastern Invest. Trust	84	5.6	118	54	35	8	3	175
30	Scottish Ontario Invest. Co.	79	5.7	109	52	35	10	3	161
72	Securities Trust of Scotland	110	6.4	164	56	31	10	3	172
	Murray Johnstone Ltd.								
65	Murray Caledonian Invest. Trust	78	*4.2	105	49	33	11	7	194
95	Murray Clydesdale Invest. Trust	71	*3.3	96	46	36	11	7	186
25	Murray Glendevon Invest. Trust	143	*2.6	192	58	24	8	10	192
33	Murray Northern Invest. Trust	82	*3.0	114	39	33	14	14	190
106	Murray Western Invest. Trust	86	*4.0	121	49	34	10	7	188
	Rivermoor Management Services Ltd.								
†	London Trust	86	5.4	†	†	†	†	†	†
21	Moorside Trust	76ac	6.6	97ac	50	39	–	11	221
43	River and Mercantile Trust	137ac	7.8	176ac	75	2	6	17	212
	J Henry Schroder Wagg Group								
30	Ashdown Invest. Trust	190	4.7	272	52	37	8	3	185
42	Broadstone Invest. Trust	211	4.8	297	50	39	7	4	193
71	Continental & Industrial Trust	286	5.3	402	57	40	–	3	190
42	Trans-Oceanic Trust	244	4.1	344	40	44	9	7	187
	Stewart Fund Managers Ltd.								
106	Scottish American Invest. Co.	152	3.8	183	52	36	4	8	246
8	Scottish European Invest. Co.	45	5.3	51	2	–	–	98	108
	Throgmorton Invest. Management Ltd.								
13	xThrogmorton Secured Growth Trust	146	–	216	100	–	–	–	201
67	Throgmorton Trust	123	7.0	154	99	–	–	1	303
	Touche, Remnant & Co.								
148	Atlas Electric & General Trust	92	4.7	130	69	15	5	11	211
43	Bankers' Invest. Trust	76	6.7s	110	73	17	5	5	189
22	C.L.R.P. Invest. Trust	96	5.2	142	61	14	4	21	187
44	Cedar Invest. Trust	95	6.9	130	71	12	4	13	190
56	City of London Brewery & Inv. Trust	85	7.4	114	93	3	–	4	209
40	Continental Union Trust	156	5.5	225	64	19	3	14	177
264	Industrial & General Trust	82	4.8	114	68	17	3	12	210
54	International Invest. Trust	103	5.8	147	74	15	9	2	185
73	Sphere Invest. Trust	163	5.5	229	66	20	5	9	190
52	Trust Union	82	5.2	113	65	19	5	11	200
98	Trustees Corporation	79	5.0	104	73	11	2	14	218
	Williams & Glyn's Bank Ltd.								
3	Atlanta Baltimore & Chicago	72	2.0	89	17□	83	–	–	155
3	West Coast & Texas Regional	83	2.2	103	14□	86	–	–	147
	VALUATION THREE MONTHLY								
114	Anglo-American Securities Corporation	136	5.0	192	65	21	6	8	†
21	Dundee & London Invest. Trust	88	6.2	121	76	14	6	4	200
56	First Scottish American Trust	120	5.4	169	62	26	11	1	179
4	Lancashire & London Invest. Trust	80	4.7	106	86	10	–	4	†
36	North Atlantic Securities Corporation	130	4.7s	182	62	24	6	8	168
66	Northern American Trust Co.	131	5.0	185	59	28	11	2	182
12	Oil & Associated Invest. Trust	95	4.9s	114	62	32	–	6	197
185	RIT Ltd.	380	4.5	480	70	14	1	15	269
16	Safeguard Industrial Investments	106	7.8	139	100	–	–	–	218
14	Scottish Cities Invest. Trust	273	5.5	403	84	7	–	9	†
16	cScottish & Mercantile	221	4.6	285	87	13	–	–	†
22	Yeoman Invest. Trust	134ac	6.8	170ac	79	9	1	11	209

NOTES TO THE TABLE

† No data.
x Split capital trust (capital shares).
* Applies to Ordinary/"A" Ordinary only.
s Does not include special dividend.
□ More than one quarter in non-equity investments.
ac Adjusted for scrip issue.
ar Adjusted for rights issue.
c Not approved for capital gains tax purposes.

(a) Cols. 1, 3 to 5 Figures supplied by Wood Mackenzie & Co., members of The Stock Exchange. Col. 1 to nearest £1m: Cols. 3 & 5 to nearest penny per share.

(b) Cols. 1, 5 Statistics simulated to date shown based on latest valuations supplied by the companies and made available to The Stock Exchange. In these valuations listed securities are valued at mid-market prices and unlisted at directors' valuation. All revenue account items are excluded.

(c) Col. 4 Based on last declared dividend or firm forecast, plus tax credit, to nearest 0.1 per cent.

(d) Cols. 6 to 9 Percentages of total assets less current liabilities. Currency balances are allocated to the revelant geographical sector.

(e) Cols. 5, 10 Prior charges and preference share capital deducted at market value; convertible stocks deemed to be converted; warrants treated as not exercised.

(f) Col. 10 Figures supplied by AITC Statistics Service, to nearest one per cent. A full description of the information shown in this column is given in the Investment Trust Year Book. In summary, the figures show the percentage changes in the net asset values over the period assuming that dividends paid, excluding tax credit, were reinvested in the underlying assets of the company.

INDICES OF FIVE YEAR TOTAL RETURN

General Trust Average	203
F.T.–Actuaries All Share	231
*Standard & Poors Composite	86
*Capital International World	94

*Adjusted for exchange rate changes.

EXPLANATORY NOTES

Use of total return statistics and care in interpretation

The total return statistic, which adjusts the net asset values for dividends, excluding tax credit, distributed during the period, enables companies with substantially different capital growth and dividend policies to be more fairly compared. A period of five years provides a good indication of trends and, in normal circumstances, should cover a traditional bull and bear market in the major stock markets.

Each total return figure is indexed from a base of 100 at the commencement of the period and records the movements between two particular dates. Any particular total return figure may thus be affected by exceptional factors, operative at either the base date or at the final date, which were influencing the stock market generally or a sector of the market in which the company was interested. The geographical distribution of a particular company's portfolio should be considered in assessing its relative performance.

While the total return statistic, if used with care, provides a valuable guide to past experience which can assist comparison of one company with another, or the trust movement with other investment media, it should always be borne in mind that past performance is not necessarily a guide to future achievement.

The total return statistic for split capital trusts is not comparable with that for other companies because of the difference in capital structure. The split capital trusts have therefore been identified in the Table and are not included in the General Trust Average index figure.

Calculation of NAV

In order to avoid a plethora of figures and to facilitate comparability, the statistics of net asset value have been calculated on a uniform basis which may, in the case of a particular company, differ from the corresponding figures in its Annual Report and Accounts.

The net asset value is calculated on the "going concern" basis, ie with prior charges deducted at market value, as it is believed that this basis is the most widely accepted for comparative purposes.

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FINANCIAL TIMES SURVEY
Saturday April 25 1981

Personal Financial Planning

Government policies are gradually improving the lot of the small saver and the small business. This survey outlines the main areas of change, ranging over the whole field of individual and family investment from the outset of married life to the days of retirement, with particular reference to the latest tax advantages.

Life becomes somewhat easier

BY TIM DICKSON

LOOKING BACK over the last 10 years or so it is easy to see why "financial planners" are now so greatly in demand. A decade which witnessed the biggest ever stock market crash, barely uninterrupted double digit inflation, wild fluctuations in the value of sterling and mounting unemployment is not easily forgotten. And if these traumas were not sufficient to discourage saving and investment, the high levels of personal *taxation* further diminished the often meagre returns on private capital.

All these were among the evils the Tories promised to destroy when they came to power in May 1979. Sound money, stable prices and lower direct taxes, they hoped, would end years of uncertainty and stagnation and persuade private capital to invest in profitable and job-creating enterprises.

The success of the Government's policies, notwithstanding the growing mood of optimism recently is still very much in the balance. It is worth recording, however, that many of the steps taken so far have significantly eased the pressure on *individual* investors.

● The burden of income tax, for instance, has been considerably reduced. Although the Chancellor of the Exchequer's failure to index personal allowances in the Budget exacerbates the unwelcome "poverty trap," basic rate tax is now 30p in the pound compared with 33p before the Conservatives came to power. The top marginal rate is now 60p on earned income and 75p on investment income, compared with 83p and 98p immediately before this Government took office.

● The investment income surcharge, which adds an extra 15 per cent to the tax bill on investment income over a certain threshold, started to bite at £1,500 as recently at 1977/78. Now it only applies to the excess over £5,500.

● Capital gains tax, previously complicated and at the same time arguably severe, is now levied only on gains above £3,000.

● Capital Transfer Tax, payable on lifetime gifts and gifts on death over £15,000 in 1977, now begins at £50,000. Generous relaxations in some of the higher rates have also been made and the top lifetime rate has now been reduced from 75 to 50 per cent.

If these fiscal changes in themselves have not necessarily made individuals better off—income tax reductions, for instance, have often been swallowed up by higher indirect taxes—they have undoubtedly given investors a greater flexibility in arranging their financial affairs. High taxpayers can now at least consider high yielding investments; the annual capital gains tax exemptions are often worth exploiting by end-of-year bed and breakfast arrangements; and with careful planning surprisingly large sums of money can now be transferred without upsetting the Inland Revenue.

By far the most wide-ranging development so far under the Conservatives, however, has been the abolition of exchange controls in October 1979. At a stroke this decision removed what to many people had previously been insurmountable hurdles to overseas investment—the volatile investment currency premium, in particular, and a whole host of time devouring rules supervised by the Bank of England.

After 40 years of controls and restrictions UK citizens have now had more than 18 months in which freely to diversify their portfolios, not only by industrial sector but geographically as well. More important, for some the transfer of assets outside the sterling area affords protection against possible confiscations by a future extreme Left-wing administration. As the next election approaches, the spectre of Mr. Benn will no doubt be more widely invoked by *the offshore investment* industry.

Individuals have probably been somewhat slower than institutions to diversify their assets. But the heavy advertising of overseas unit trusts, even at a time when the UK stock market has reached new highs, suggests that demand from investors is simply waiting to be tapped. Stockbrokers have also jumped on the bandwagon—it is amazing how many now claim to have had their ear to the ground in Tokyo for years—but except for investors with exceptionally large portfolios some sort of investment vehicle (investment trusts should also be considered) is almost certainly a better bet.

While much may quietly have changed in the last couple of years, the ground rules for investment still stay largely the same. Inflation, for example, the bogy which has driven those dependent on private capital to re-examine their strategies, is far from under control. Although the annual rate is still heading for single figures by the end of this year—despite the hiccup in the weeks following the Budget—the outlook for the underlying rate is far less certain. The relatively modest amounts which can be tucked away in index-linked savings such as the new Granny Bonds (now available to all aged 50 and over) and the Government Save As You Earn scheme are thus well worth having.

Tax, meanwhile, remains one of the most important factors governing investment. Regular saving through a life policy or pension plan is still tax-favoured—the former through tax relief on premiums at 15 per cent, the latter through tax relief at the individual's top marginal rate, investment in a fund *free of all taxes and* receipt ultimately of a pension which is taxed as earned rather than unearned income.

Private housing is similarly blessed, so that given the generosity of mortagage interest relief on loans up to £25,000 and the increase in house prices over the last 25 years it is hardly surprising that most people prefer to buy a roof over their own head before splashing out on 10,000 shares in ICI.

An individual's personal tax position is indeed central to the whole question of financial planning. As one stockbroker puts it: "If you get the investment right, you make money. If you get the tax situation right as well you can make considerably more money." It is extraordinary, of course, that so many non-taxpayers still hold their cash reserve in a building society while many "blue chip" share portfolios are doubtless producing large amounts of unneeded income.

Financial planning is essentially about matching investments to individual circumstances and requirements. This involves deciding how long to tie up money—often the longer *the term the greater the potential* rewards—and what degree of risk to take.

At the short end of the spectrum investors are spoilt for choice. The banks, worried that falling personal deposits could ultimately impair their *ability to lend funds* to industry, have been highly active in the past 12 months in marketing a variety of short-term schemes. The building societies, meanwhile, are endeavouring to combine generous interest rates with the maximum amount of *flexibility and despite the* Government's incursions into the personal savings market have been remarkably successful in continuing to attract new money. The 19th issue savings certificates, the Investment Account and index-linked *certificates (for those old* enough to buy them) have been National Savings' biggest moneyspinners.

Building societies on the whole offer more attractive returns at the moment than *clearing banks, though choice of* individual institution is often determined by habit, quality of service and other largely non-financial considerations.

With relatively small sums the investor has little to lose but if medium- to long-term savings (e.g. life policies, insurance bonds, equities, gilts, woodlands, or "inflation hedges" such as gold or silver) are required professional advice is generally needed.

Here the investor runs into two basic problems. The first is that there are very few people, if any, who can honestly claim to be experts on all forms of investment from equities, life assurance and pensions to offshore funds, overseas stock markets and cocoa futures.

The second—and not entirely unconnected problem—is that few financial advisers, if any, can claim to be truly impartial. Most are rewarded by commission of one sort or another and while many claim like a doctor to be able to offer an all-round financial check-up they inevitably tend to show more interest in their special subject.

Among the potential advisers, many stockbrokers say they are keen to help the small customer, though few will roll out the red carpet if a client is worth less than £20,000. Merchant banks are much more fussy and though there may be one or two exceptions, assets have to total six figures before real interest is displayed. Clearing banks now have quite sophisticated trust company subsidiaries which manage hundreds of millions of pounds on behalf of their customers, insurance brokers and accountants are often more rounded than their names suggest while a vast number of small independent and often regionally based firms are happy to offer planning advice.

When choosing a professional adviser investors should be aware that conflicts of interest can affect a recommendation. They should not be afraid to ask advisers to justify their investment choice—past performance is not perfect but it is probably the best objective guide. If the life company is at the bottom of the performance tables it is legitimate to ask why.

CONTENTS

NET NEW INVESTMENT (DISINVESTMENT)
(£m)

	National Savings*	Building societies	Unit trusts	Company† securities	Life assurance and pension funds.
1975	328	3,191	190	(1,044)	4,162
1976	604	2,278	168	(1,572)	5,253
1977	2,033	4,722	114	(1,872)	5,890
1978	1,376	3,310	236	(1,305)	7,088
1979	1,930	3,515	58	(2,043)	8,969
1980	1,761	3,674	108	—	—

* Includes changes in total gilt-edged stock held on National Savings Stock Register. † Personal sector only.

Source: CSO and others.

PERSONAL FINANCIAL PLANNING—2

The three articles below discuss the changing requirements of individuals and families during adult life, from marriage to the days of full retirement.

Investment priorities for young marrieds

BY TIM DICKSON

FINANCIAL PRESSURES are often at their greatest just after a couple marry. Although historically the married man's personal tax allowance at 1.56 times that of the single reflects the fact that two people together can live more cheaply than one, home ownership and child rearing can be expensive luxuries. All the more reason then to plan wisely at this early stage and invest the surplus sensibly.

Individual cases always vary but possibly the most important requirement for a young couple is security of income. "Modern" marriages notwithstanding, husband and wife invariably become financially dependent on each other and it is therefore advisable to make sure that the surviving spouse does not suffer in the event of death or disability.

Individuals will have their own views on the extent to which protection is needed and with many more working wives these days childless couples may decide that there is no point in providing for replacement of the husband's income. Cover to pay off the mortgage is always a good idea and once children arrive on the scene the possible loss of a breadwinner's income must be taken extremely seriously.

Term assurance, which as its name implies is life cover for a certain number of years, is the best and cheapest method of dealing with the problem. It can be used in mortgage protection policies to pay off the loan, provide a lump sum during the period of a child's dependency, or simply to provide for funeral expenses or any other debts.

Decreasing term assurance, where the sum assured falls in line with the amount owed to the building society, is perhaps the cheapest form of cover, but level term, which is not much more expensive and which involves a flat sum assured, removes any shortfall connected with changing mortgage interest rates. Best of the lot — again only marginally dearer — is convertible term assurance, which carries the right to convert to an endowment policy at a later date. This right is not subject to withdrawal by the insurance company even if the policyholder's health radically deteriorates.

The family income benefit policy, which provides a specific annual benefit payable for a number of years, is another type of term assurance which is particularly suitable for income security. An important advantage is that the payments are featured as capital and are therefore free of tax: lump sums invested may produce a taxable income.

Permanent

Term assurance policies — rates vary from company to company depending on a number of factors including definitions of normal health—should always be considered ahead of whole life policies. These provide permanent cover throughout life but are generally more expensive.

Although a couple's surplus income in the early years may be quite significant if both, for example, have jobs, the position can change quickly once the family starts to grow. It is therefore important not to take out, say a unit linked savings policy and then find that there is not enough money subsequently to fund the premiums —poor surrender values are the inevitable penalty.

The main aim of a young couple, assuming that there is not a significant amount of inherited capital or gambling winnings from a misspent youth, is to build up a lump sum. This will generally be done by regular saving out of income, so the first thing to find out is how much money there is to direct in this way.

The next decision is what, if any, risks to take. A cash reserve or holiday fund can probably best be built up through a bank or building society account. Over the medium term the cautious (but sensible) should seriously consider the Government's inflation-linked Save As You Earn scheme before turning to more risky mediums like unit trusts.

One seldom publicised type of investment is the building society-linked plans which provide a high net return thanks to investment through a life company and the advantage of tax relief on premiums. These can be cashed in after four years. Life insurance savings plans are commonly used over the longer term—here the choice and permutations are almost endless. Life policies are also used to plan for school fees.

Few people in their twenties or thirties take their pension prospects seriously—mainly because they feel that they will not stay long with the same employer. But every employee has an interest in knowing what his or her scheme provides.

Pensions a key consideration

BY ERIC SHORT

EVERY EMPLOYED person when they retire will get a pension based on their earnings. At least that is the theory behind the new State pension scheme, with employees getting their pension from the State or from a company pension scheme. But in practice most people will find the pension they receive falls short of expectations for a variety of reasons.

The State pension scheme was introduced in 1978 but because of the build-up of pension rights dates from that time only those employees retiring from April 1998 will get the full pension. First then, older employees nearing retirement cannot expect the maximum pension.

Secondly, the pension provided by the State reaches its maximum for earnings of 1½ times National Average. For the higher paid, the maximum State pension represents a low percentage of final salary that is far from adequate.

Finally, the State scheme does not allow an employee on retirement to commute part of his pension for a tax-free lump sum.

The company scheme provides pensions up to two-thirds of final salary with no absolute ceiling. But employees have to be in the same scheme for at least 40 years to qualify for the maximum pension. Very few employees last the course and so lose out on their pension rights when they change jobs.

Employees thus need to consider what pension they can expect and how to supplement it. For those in a company pension scheme the most tax-efficient method is by paying Additional Voluntary Contributions (AVCs). Under such a scheme the employee can pay up to 15 per cent of his salary, less the contribution made to the main scheme. The employee gets full tax relief on his contributions and builds up a cash sum in tax-exempt funds so that at retirement he can use it to boost the pension.

The only problem is that an individual employee cannot set up an AVC arrangement on his own. The employer has to establish a scheme having Inland Revenue approval. But more employers are now making such arrangements for employees.

Employees with no company arrangement can boost the State pension by using a personal pension policy from a life company. This is not solely for the self-employed but for anyone in non-pensionable employment—and being solely in the State scheme is not regarded as being in pensionable employment.

The self-employed have no choice but to make very careful planning of their pension by using personal pension policies. They get nothing more than the inadequate basic pension from the State, even though they pay contributions related to earnings. The Government is at present looking at the possibility of providing the self-employed with earnings-related pensions in the State scheme but it could take some time for a feasible system to emerge.

Following the 1980 Finance Act the self-employed can contribute up to 17½ per cent of earnings, getting full tax relief on contributions. Investment is made in a tax-exempt fund and at retirement part of the pension can be commuted for a tax-free cash sum.

The self-employed needs first to plan how much to invest in a personal pension policy. Then he needs to decide whether to make regular payments or a series of single premiums. Next he needs to decide which type of contract from which life company.

The permutations are endless and expert guidance is necessary.

Many self-employed were reluctant to tie up their assets in a pension contract that they could not touch until retirement. Now the loan-back facility offers a method of overcoming the problem but it needs to be handled with care.

For those employees with adequate pensions, the later years at work provide an opportunity to build up cash sums to use at the time of retirement for the retirement house, or that world cruise. Maximum Investment Plans, single premium bonds or the Index-Linked National Savings Certificates (Granny Bonds) all provide savings opportunities.

Twofold needs of the retired

BY ERIC SHORT

WHEN AN investor reaches retirement age his investment aims change direction completely. No longer is there the pressure to accumulate capital.

The needs of the retired are twofold. First they need to ensure they have an adequate income during retirement. All too often it means boosting an inadequate pension with whatever capital is available.

Secondly, investors need to consider passing on their assets to their heirs, minimising the impact of Capital Transfer Tax. For such an exercise to be really tax-efficient, the investor probably needs to start transferring assets before retiring. But the overall priority should be to ensure an adequate income during retirement.

The standard method of boosting pension has been to buy an annuity from a life company. If an investor tries to live on his capital it may be exhausted while he is still alive. In buying an annuity the death risk is passed on to the life company. But an annuity is fixed in money terms, starting at a high level thanks to high interest rates, but gets steadily eroded by inflation. This is its major defect in inflationary times.

The investor should consider investments that provide rising income. Life companies will issue annuities whose value rises each by a fixed percentage, with a maximum increase of 8½ per cent each year. But the higher the rate of increase the lower the starting value of the annuity.

Selection

Alternatively, investors could consider high income unit trusts, especially if paying only basic rate tax. These securities yield around 9 per cent gross but trusts are having problems maintaining income payments under present conditions because of widespread dividend cuts by some companies. This emphasises the need for careful selection. High income trusts offer the investor the opportunity of preserving and even increasing the capital. Ironically, unit values of these trusts are moving ahead this year.

Linked bonds issued by life companies offer investment prospects to the top rate taxpayers, with the 5 per cent tax deferred withdrawal facility providing a steady income while preserving capital values.

However, many elderly investors have been attracted to the guaranteed income bonds marketed by certain life companies. These offer a high level of income, fixed in money terms, over short periods—usually four years—plus the capital back at the end of the period. An investor reaching retirement age could effect an income bond for four years, renew it for another four years and then take out an annuity. This would provide better terms than buying an annuity at outset.

For some elderly persons their main asset is the house where they live. It does not produce any income but they may not want to sell and move elsewhere, preferring to stay put. A Home Income Plan enables such persons, provided they are in their 70s, to unlock this asset to produce income.

Under such a scheme the investor mortgages his house with a life company, using the loan to buy an annuity. The annuity payments go first to meet the mortgage interest, which is eligible for tax relief, with the balance providing the income.

Last autumn the Government extended the Option Mortgage Scheme to these plans—a major concession to people on low incomes not paying tax.

The best method of passing on assets to minimise tax requires a separate survey to be covered completely. There are two basic features to consider. The first is to make maximum use of the annual CTT exemptions: the second to make use of covenants in making gifts to grandchildren so that tax can be reclaimed.

Finally, when people reach retirement age there are still occasions for savings for certain specific reasons such as going on a world cruise. Men reaching 65 and still enjoying good health can expect to live for another 13 years on average. The index-linked National Savings Certificates (Granny Bonds) are ideal for collecting that nest egg to use in a year or two.

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PERSONAL FINANCIAL PLANNING—3

Using the 'golden handshake'

BY TERRY GARRETT

THE DEPTH of the current recession has rocked the country's industrial sector to its very core. Plant closures and redundancies have become everyday occurrences and in some industries it has almost become a question of "when" rather than "if" the workforce will go to swell the ranks of the unemployed.

Redundancy is clearly an extremely traumatic experience for many. Yet the "golden handshake," meant to soften the blow of unemployment, can create a whole new set of problems. For many people the sum they receive is by far the largest amount of cash they have ever had in their hands. Financial planning becomes a reality which could prove costly to ignore.

The question is where to turn to for advice. Fortunately both trade unions and companies are waking up to the need to organise some guidance for the workforce. Often specialists are brought in to address workers before redundancy. While this is to be applauded, the advice must by definition be general and individual help can prove well worth-while.

For many the banks will be the first port of call but there is of course a very large number of workers who do not have bank accounts.

Increasingly companies are bringing in the banks to advise the workforce. Barclays, for example, has devised the "personal banker" plan where relatively junior members of its staff are allocated a group of workers to help. These young bankers can be less daunting than the bank manager for those who have never used a bank before. They have, of course, the full back-up of the bank's expertise.

Guidelines

Unions also proffer financial advice through their branch network and some of the building societies, such as the Provincial, have had a crack at putting together some broad guidelines.

There are a large number of *independent financial advisers* more than willing to tell you where to put your money, either for a fee or a commission from the institution where your cash is invested. The quality of such advice inevitably varies, though there are a number of *independents who have built up* a speciality in dealing with the unemployed.

The cost of advice varies. Often it is borne by the companies. Mr. *Nigel Bolitho*, a director of Douglas Deakin Young who are specialists in redundancy counselling, charges the individual something in the region of £40 an hour. For many people an hour is all that it takes.

Mr. Bryan Harkness of Investors Planning Associates' Redundancy Counselling Service takes the view that "anybody can come and talk to me for nothing." He relies on commission from insurance companies, etc., for his fees when dealing with individual clients.

What does the employee made redundant have to consider in his financial planning? This can be broken down under various sub headings: taxation, investment, insurance, pension, State aid and other possible benefits such as rate rebates, and the *position of a mortgage*.

The changes in the last Budget have eased the tax burden. In a nutshell the threshold up to which all redundancy payments are free of tax has been raised from £10,000 to £25,000 and the *method of calculating tax* on the balance greatly simplified. The vast majority of people being made redundant will now be able to take their payments free of tax.

Any balance over £25,000 will be added to other taxable income for the year, including *income from the last job*. Tax is then half the difference between tax payable before taking into account the lump sum and the amount payable if the whole of the taxable part of the lump sum were treated as extra income for the year. This is more easily explained by the use of the example in the accompanying table.

One of the commonest questions raised by someone with a "golden handshake" is whether to pay off any outstanding mortgage. It can be a tempting thought to remove the proverbial "millstone" but normally it is not the most prudent financial advice. Holding on to your capital can provide a better return than paying off the mortgage. Moreover, an option mortgage can reduce your monthly payments to the *extent of the tax relief* previously enjoyed when in full-time employment.

In addition, if long-term unemployment is likely the Department of Health and Social Security will help out with the interest element in repayments. *Most building societies* take a sympathetic view.

However, there is an exception to the rule of holding on to a mortgage. If there are only a few years left to run, say five or under, repayment may be the best policy. The actual rate of interest that is *being paid towards the end of* a mortgage can be very high because of the way it is calculated by nearly all societies on the outstanding balance at the beginning of the year. Nigel Bolitho, for example, calculates that the actual true interest rate in the final year of a mortgage can be 28 per cent.

Life assurance and pensions have to be considered. Once out of work the "death within service" cover is usually gone very quickly, so a redundant worker should appraise his overall life cover. For most people, taking the optimistic line that re-employment is not more than a year away, a single premium short policy is good enough. A fairly young man might as well go for a full twelve-month policy because after tax relief the overall premium cost is not much more. For example a man aged thirty could get a £50,000 life cover with Phoenix for six months at a cost of £33, whereas a year would be £47.

Pensions are a grey area to many staff members, often never considered *until* redundancy looms. As a general rule of thumb a young person with only a short time in a job should consider a refund of contributions. Someone close to retirement age who has doubts about getting another job could well opt for early retirement.

Generally, though, the redundant worker is not treated any differently from anyone else leaving the company. His pension contributions may be transferred into the new employers' scheme (assuming there is one) or they can remain *with the old employer until* pension. But because the decision on what action to take must be tailored to individual requirements each case has to be weighed up after looking at all the facts.

Investing a cash lump sum after redundancy is perhaps one of the biggest headaches. The individual has to ask himself two basic questions: is he a basic rate or non-tax-payer and does he want to invest for income or capital growth? The answers to these questions will be governed by the individual's assessment of how long he will be out of work.

Supposition

On the supposition that the worker has opted for early retirement his only taxable *income will probably be his* pension. This often does not fully utilise the married allowance, because most people faced with the pension option tend to take a lump sum at the start, thus reducing the residual pension considerably. In cases such as this the investor should be looking for holdings paying gross dividends. Within this framework National Savings Certificates, which offer a very good return at present, should be considered. Possibly offshore gilt funds might feature and gross paying bank bonds.

It would seem advisable to *keep some central fund*—say, 20 to 25 per cent of the cash sum—in a flexible investment such as a building society to meet family budget requirements. The balance might be invested in guaranteed income funds offered by the life insurance offices.

For a short period of unemployment some advisers take the view that the building societies offer the best home for cash.

The societies offer a range of investment avenues, and reasonably good returns can be found. But the big drawback is that interest is paid net. If redundancy falls early in the tax year, building society investment could prove a poor option. Gross income is what is needed in such cases.

If the aim is funding for growth the options are a lot wider. Someone who would follow this policy has presumably found a new job and wants to invest his redundancy payment for the future and is therefore a basic, or higher, rate tax payer.

Finally, anyone made redundant should claim the full State aid. Earnings-related supplements will disappear after January next year but meanwhile are available for the first six months of unemployment; flat rate unemployment benefit runs for a year. After that, supplementary benefit comes into operation, though anyone with £2,000 or more saved up will not be considered.

TAX EXAMPLE

	£
A has earnings from his employment of	20,000
Other income	Nil
Lump sum	30,000
Personal allowances	2,145
(a) Tax assessment before lump sum:	
£20,000-£2,145	17,855
£11,250 at 30%	3,375
£2,000 at 40%	800
£3,500 at 45%	1,575
£1,105 at 50%	552
	6,302
(b) Tax bill on lump sum:	
£30,000-£25,000 exempt	5,000
Taxable income £17,855+£5,000	£22,855
£11,250 at 30%	3,375
£2,000 at 40%	800
£3,500 at 45%	1,575
£5,500 at 50%	2,750
£605 at 55%	332
	8,832
Tax charge:	
£8,832−£6,302	2,530
£2,530÷2	1,265

So A's total tax bill is £6,302+£1,265=£7,567.

The desire to own your home

BY TIM DICKSON

ALTHOUGH WE take it for granted these days, many people do go to extraordinary lengths to buy their own home. Months spent tramping on floorboards, days devoted to painting and decorating, and evenings endured in front of a television set to save money for the mortgage are just some of the sacrifices made by the growing number of UK owner occupiers.

The independence that goes with owning one's own roof is inevitably a strong attraction, but the financial incentives for purchasing property are equally compelling. These can be easily listed — tax relief at the borrower's top individual marginal tax rate on the first £25,000 of a loan; an asset which, based on the experience of the past 10 years at any rate is likely to keep pace with inflation over the medium to long term; and exemption from Capital Gains Tax, assuming the property in question is the principal private residence.

These factors have undoubtedly helped boost the number of houses in the UK in private hands from 43 per cent of the total 20 years ago to about 55 per cent today. Not everything, of course, is as rosy as it has been. Rises in house prices in recent months have slowed down significantly; inflation has increased the significance of the £25,000 limitation on mortgage interest relief; and Government competition in the savings market has forced building societies to redress the balance in favour of their depositors. That said, it is still true that most people are unlikely to make a better investment than buying their own home.

The big question most people ask first is: when is the best time to buy? The answer is that for the first time purchaser at any rate there is no time like the present. Those who wait *for what they hope* is the start of a house price boom risk missing the boat and even if they get it right the cost of their next house—assuming they move upmarket—will be proportionately higher and will, therefore, swallow up most if not *all* the "extra" capital gain.

Momentum

None the less there is a tremendous interest in house prices. Two of the biggest building societies—Abbey National and Nationwide — report that prices are now moving ahead modestly after a virtually static first quarter of 1981. Abbey National actually recorded an overall fall in the first three months but though prices fell markedly in January they picked up in February and March and look like maintaining this momentum. Nationwide experienced an increase of 1 per cent in the first three months of the year and enthusiastic bulls will note that Nationwide's prices are now below their long-term relationship of 3.3 times average gross earnings.

Activity in the housing market is indeed reported to be brisk but this does not necessarily presage a take-off in prices in the near future—there are plenty of unsold houses still to be taken up, real incomes are under great pressure and few observers predict much more than an overall 10 per cent rise in 1981.

Once the decision to buy a house has been taken one of the first steps is to arrange a loan. Although building societies still dominate the market they are by no means alone in this field. Local authorities, insurance companies, employers—in the case, say, of an insurance company or bank —and clearing banks are all possible lenders whose terms and conditions should be considered. The banks in particular, notably Barclays, have been making a big push in the last year or so to attract business at the bottom end of the market and most, for example, will now make loans as low as £10,000.

Barclays, for example, has lent more than £200m since last year. The bank currently charges 14 per cent up to £30,000 — equal to 14.7 per cent as defined by the Consumer Credit Act — and will lend up to 80 per cent of the purchase price of the property or mortgage valuation, whichever is the lower.

Borrowers wanting more than, say, £15,000 may now find loans from Barclays (and indeed other clearing banks) highly competitive—something which would have been unthinkable a year ago when banks largely restricted themselves to the very expensive end of the market. Building societies, on the other hand, are usually willing to lend up to 90 per cent of the price of the house, leaving the borrower less to find elsewhere.

Consistent

Whereas the banks claim that it is not necessary to be one of their customers to qualify for a loan, building societies will almost always wish to see a good savings record before they consider applications. There are no hard and fast rules here—much depends on the overall availability of funds—though most stress that a consistent record is more important than the actual amount saved.

Once a loan has been secured, one of the next questions is often how to repay it. Broadly speaking there is either the annuity ("repayment") method, whereby monthly instalments to the building society comprise *elements of* interest and capital; or the insurance-linked mortgage method, whereby repayment of the loan entire capital is deferred until the end of the term and interest is paid only to the building society in the interim. The capital *required to repay* the debt is accumulated through a with-profit endowment policy, with a term matched to that loan. At the end of the term the building society, which holds a charge on the policy, is repaid out of the proceeds and any surplus *goes to* the policyholder.

Housebuyers should not forget that there are other costs connected with getting a loan and moving home. With the national average house price about £25,000, estate agents' fees can leave them with a substantial bill if they are also vendors selling an old home. There is much dissatisfaction with the 2-2½ per cent which most agents charge for their work and there are some signs of alternative systems are appearing on the market.

There is also a fee for the lender's valuation of the property, even if the application for a loan is subsequently turned down. Until relatively recently, borrowers were not allowed to see the report but the Abbey National and the Halifax have now happily overturned this rule. Conveyancing fees can also be steep — hence the trend in one quarter for doing it yourself—while stamp duty, the threshold for which was raised from £15,000 to £20,000 in the 1980 Budget, burns a further hole in the pocket.

When the £15,000 threshold was set in 1974 only 16 per cent of houses on mortgage cost more than the threshold whereas today the figure is more like 70 per cent. Finally, a housebuyer should not forget to insure his house and contents.

PERSONAL FINANCIAL PLANNING—4

Provision for school fees

BY ERIC SHORT

THE DEMAND for private education remains as strong as ever, despite the ever-rising level of fees. There are parents who, for a variety of reasons want to opt out of the State system. But to do so they must be prepared to finance school fees that are high and increasing faster than inflation.

The surveys undertaken by the Independent Schools Information Service (ISIS) show that fees have more than tripled in eight years. The leading public schools are likely to charge fees of £1,300-plus a term—around £4,000 a year. The education industry is still very much labour-intensive, while equipment costs continue to rise steadily. Now schools are starting to build into their fee structure *an element of capital* raising to supplement their usual fund-raising activities for new buildings equipment and other capital projects.

At these fee levels, which have to be paid out of net income, it is essential for parents to plan ahead in order to fulfil their objective. It needs to be emphasised at the outset, however, that it will mean considerable sacrifice.

There are five main methods of meeting fees:

- paying out of income;
- saving from income for future/fees:
- using *any* capital available;
- help from other members of the family;
- borrowing to meet the fees.

For most parents payment out of income remains the principal and possibly the only method of meeting fees. C. Howard and Partners, a leading firm of school fee specialists, makes a regular survey of its clients and their financial position. These surveys contain a wealth of information on various aspects of paying fees.

In many families the mother will go out to work solely to meet the fees. The recession shows that this course of action is not foolproof—and fees are anyway rising faster than earnings.

The survey also shows that the majority of parents supplement their income and/or reduce their spending so as to meet the school bills. Parents use a variety of methods from the father taking a second job to the family cutting out holidays.

To ease the burden parents can endeavour to save from income in advance of the children going to school. Often it is not possible to do so. But the earlier the start, the better chance there is of making worthwhile savings, taking advantage of the tax relief available on life *assurance* premiums.

It needs to be emphasised that very few parents will be able to save in advance to meet *all future fees*. Inflation can make a nonsense of all calculations. Saving needs to be regarded as supplementing the payment of fees out of income to ease the burden at the time.

There are a variety of plans being devised to save for school fees. If parents start when the child is very young, a cluster of life policies forms the main investment vehicle: getting tax credit on premiums up to one-sixth of income or £1,500, whichever is the greater. School Fees Insurance Agency *(SFIA) sticks to traditional* with-profits contracts with their in-built guarantees. Howards tend to mix traditional and unit-linked.

Contracts

For shorter periods, annuity contracts or building society-linked plans offer better investment vehicles. The latter contracts provide tax relief, with no clawback, if the investment period is at least four years.

The latest trend in the development of savings plans is the low start endowment under which the premium starts at a low level and increases rapidly over the first five years before levelling off. Legal and General offer such a contract, where the premium doubles over the first five years. The theory is that earnings will rise over the period that premiums are increasing, thus easing the initial strain. It also helps individuals to avoid paying premiums at outset above the tax ceiling.

SFIA prefers a more flexible approach using convertible temporary assurances in its planning. This gives high life cover at low premiums with a choice on the time of conversion.

Parents may find that using any capital available will help ease the fee burden. Many schools operate their own schemes of receiving lump sum payments in advance. The leading school fee specialists have set up charitable trusts for lump sum payments.

Under these schemes the payments *secure immediate or* deferred annuities to meet fees when they fall due. The charitable status enables the benefits to be received free of income *tax*.

SFIA has its own Educational Trust with special annuity rates quoted by two leading life companies. Howards has now linked up with the Royal Insurance Capital School Fee Plan—a newcomer in this field. Save and Prosper and M and G offer their own plans not connected with any adviser or specialist.

Parents thus have a choice of schemes and should shop around. The payments should be free of Capital Transfer Tax *(CTT) under Section 46 of the* 1975 Finance Act, which recognises the right of parents to educate their children. But the tax position should be checked.

A large number of families could not manage to meet the school bills unless they received financial help from other members of the family, particularly from grandparents. The Howard survey showed that about one family in five looked outside for financial help.

Again such help needs to be planned correctly so *as to* minimise tax and maximise the return. Thanks to Mrs. Barbara Castle and her child benefit scheme, grandparents can covenant *to* grandchildren, making annual payments up to the single person's tax allowance of £1,375, and the child can reclaim tax at the basic rate. It is not often that school fee payments get a helping hand from the authorities.

Much has been written on this subject, yet the Howard survey showed that while its clients planned their finances, grandparents still tended to hand over the money direct.

Grandparents can make lump-sum payments in a manner similar to parents. But the CTT position is different. Grandparents need to plan their capital payments to make maximum use of the annual CTT exemptions. Husband and wife jointly can transmit £6,000 a year.

A decade ago many school fee plans relied on borrowing to meet the fees and with repayment later—the "educate-now-pay-later" system. These schemes were killed when interest rates soared and loan interest was disallowed for tax relief. One or two schemes have remained available but at crippling high rates of interest—three points above Bank Base Rate.

Unlocks

Now a new form of "educate-now-pay-later" system is emerging for the self-employed. Howard's is making use of the new loanback facility on personal pension policies, which effectively unlocks the assets of the contract. It has linked up with Standard Life and its unit-linked contracts.

Under this scheme the parent *simply takes out a self-employed* pension plan and when fees are required uses the loan facility to fund the fees. Since the self-employed get full tax relief on the contributions and invest in a tax-exempt fund, the plan is highly tax-efficient, even though there is *no* tax relief on interest payments. They can use a second mortgage on their homes as collateral and repayment can *be deferred until retirement*, using the tax-free cash commutation to repay the loan. SFIA is investigating the possibilities of this scheme.

The *main* lessons *for* parents are first the need to plan ahead and secondly the need for specialist advice. Until recently the field was dominated by SFIA and Howards. Now there are several advisers in the field. ISIS has produced a useful pamphlet on the cost of school fees and how to meet them. To obtain them *write* to: Ms. J. C. Browne, ISIS, 26, Caxton Street, London, SW1H 0RG, enclosing two first-class stamps.

Advance legacies to heirs make a great deal of of sense

BY RAY MAUGHAN

CAPITAL TRANSFER Tax—no *less* than its predecessor, estate duty—may seem like an awesome hurdle to those thinking of passing on their property *and other assets to their heirs*, but careful consideration of the issues can lower the obstacles considerably and the Chancellor of the Exchequer, in his last Budget, made one important ameliorating change.

Capital Transfer Tax (CTT) is assessed on the value transferred by a chargeable transfer whether it is made on death or during a lifetime. The value transferred is the fall in value of the estate of the person making the gift, or transfer, and a chargeable transfer is any transfer of value made by a donor after Capital Transfer Tax replaced estate duty on March 26, 1974.

For the purposes of this tax, *an estate is the total of all the* assets to which the donor is beneficially entitled.

Transfers

It makes a great deal of sense to transfer the bulk of the estate to the intended recipient during the lifetime of the donor. For there are two separate tax scales, one attaching to transfers made while the donor is still alive and the other, taxed far more harshly, imposed when an estate is transferred on the event of the donor's death. It is also worth remembering that transfers made in the three years before the donor's death are taxed at the higher rate.

Fortunately, chargeable transfers do not attract CTT until they have totalled £50,000 and a husband and wife are each assessed separately and may each transfer £50,000 before incurring any CTT liability.

Until the last Budget, transfers made during the lifetime of the donor in excess of this exempt limit, were accumulated throughout life. The Chancellor has now stipulated that this cumulation should only run for 10 years which means that a lifetime transfer of £50,000 made in the next tax year can be repeated 10 years thereafter without being liable to CTT.

On top of this the Budget also raised the annual exemption from CTT from £2,000 to £3,000. Any unused exemption, or relief, may be carried forward by one year against transfers over the £3,000 ceiling made in the *later year. This* carry-forward extends for one year only and a donor may do well to make a regular pattern of such gifts, giving them at least every other year to make the maximum use of this exemption.

One exemption which the Budget did not change is that given to "small" gifts whereby the donor may make gifts of up to £250 to any one individual without incurring liability. The Budget did make it clear, however, that this "small" gift exemption did not provide cover for the first part of a liability to a larger transfer.

The benefits of forward planning are quite marked. Both lifetime and death rates of CTT come into play once the £50,000 ceiling has been reached, but whereas a lifetime transfer attracts tax at *15* per cent in the next £10,000 band, a transfer made on death or within three years before death, is taxed at 30 per cent in this bracket. The two rates do not *converge* until the £510,000 to £1.01m band is reached, when both transfers incur a 65 per cent liability.

Other lifetime transfers can be made by the parents of a wedding couple. Provided that a transfer is made before the wedding, a parent can help to set the *happy* pair up in life *with a gift of £5,000 with no CTT* liability. Other, more distant relatives, are entitled to give £2,500, as is one of the parties to the marriage. Other guests and friends of the couple may gift up to £1,000 but in all cases it is important to remember that evidence must be available to show that the gift is made in consideration of the marriage and such transfers *cannot* be made after the wedding.

Other exemptions are granted when the transfer is made out of income rather than capital. These too must take the form of a pattern in which cash, or assets purchased expressly for the purpose of making the gift, is transferred regularly to the same person from the donor's income and *leaves* the donor with sufficient income to maintain his or her standard of living.

Any transfer between spouses is exempt from *CTT* unless the recipient is living permanently outside the UK in which case only the first £50,000 will be exempt.

The transfer between man and wife is one area in which, as the accountancy firm of Touche Ross points out in its Tax Guide, careful planning can save a great deal of tax. The handbook notes that "where one spouse has a large estate and the other has not, tax can be saved by topping *up the smaller estate to make* sure that both parties receive the benefit of the lower rates of tax."

Some assets fall outside the CTT net *when transferred*. Excluded property of this nature takes in assets located *outside* the UK if the beneficial owner is permanently overseas, which reverts to the estate and It also comprises an asset which has not been purchased by the donor. Other excluded properties comprise overseas pensions, property transferred as a result of death in active service and, also, cash options under approved annuity schemes.

But a chargeable transfer of over £50,000 has been made on assets which cannot be excluded in this way all is not yet lost. It is possible to claim relief on the transfer of certain types of asset, namely business properties, agricultural properties and woodlands.

When relevant business property is transferred, its value will be reduced by a percentage which varies on the type of business concerned.

There *is* no ceiling on the value of a business transferred which can qualify for relief. Very broadly, the transfer of a business or an interest in it *gives rise to a 50 per cent* reduction in value for CTT purposes, as relief and the same rate applies when the donor transfers shares in a company which he or she controlled immediately before the transfer. A reduction of a fifth can be claimed in the value of a non-controlling stake in a company which, is not quoted on a *recognised stock* exchange. Valuation of most assets is fairly straightforward, although the case of non-quoted stock *brings* up the thorny question of purely hypothetical determinants of supply and demand.

Essence

But in essence, CTT is charged on the transfer of value which is best described either as the fall in value of the estate of *the transferor*, or "the loss to the donor." If the transfer is made at least three years before the donor's death and incurs tax, the tax paid is included as part of the reduction of the estate and is added back to give the total transfer value. If the recipient pays the tax on a lifetime transfer only the value of the gift is taken into the cumulative total.

When the transfer is made on death, there is no such grossing up of the value of the assets in the estate, although a life *assurance policy* will be included at its full value.

For many people, the CTT threshold is sufficiently high to defray most, if not all, estate *problems*. For a great many others, the rise in house prices alone has pushed the value of the family home firmly into the grasp of this tax. Yet the exemptions *do spare* much *of* the burden and the last Budget has done a little more to help. And careful forward planning with the help of a friendly, or recommended, solicitor or the estate department of the local clearing bank should provide significant, and gratefully received, savings.

PERSONAL FINANCIAL PLANNING—5

Aunt Agatha back in favour

BY IAN RODGER

MUCH NEGLECTED in recent years, Aunt Agatha is of late being showered with attention. The Government is trying its best to make it attractive again for individuals to invest in fledgling businesses and the City is beginning to respond by developing new ways of putting small investors' money into small companies.

The Government's actions have taken two forms. First, it has introduced a number of measures aimed at reducing the overwhelming odds against a new small business succeeding. These include a wider range of capital loans and grants, management assistance, reduction of required paperwork and incentives to property developers to build nursery factory units.

Secondly, the Government began in the 1980 Finance Act to expand the tax relief available to individuals contemplating investing in small businesses.

Until last year entrepreneurs could obtain income tax relief on the interest paid on any loans they took out to invest in their own companies, either in the form of debt or equity, but outside investors in small companies were not eligible.

The 1980 Finance Act expanded eligibility for this tax relief to anyone who holds over 5 per cent of the equity in a company, provided that the lender can show that the money will be used in a trading business.

While welcome, this extension of eligibility was not expected to have much impact. Few individuals would be inclined to pledge their assets to make loans on new ventures anyway, it was argued, and those that were had probably already incorporated in order to obtain tax relief.

The other measure in last year's Finance Act seemed more promising. Section 37 would allow individuals to deduct from taxable income any capital losses in direct equity investments in small unquoted companies.

The potential advantages of this measure were illustrated in a recent prospectus for Electra Risk Capital, an investment institution designed to take advantage of it. Electra showed what would happen if *an individual invested £1,000* in each of 10 companies and some trebled in value while others failed, assuming a capital gains tax rate of 30 per cent on the winners and a marginal income tax rate of 75 per cent.

If *half failed*, and half trebled, the overall net gain on the £10,000 invested would be £5,750 compared to only £3,500 if the extra relief were not available. If only one failed, the net gain would be £12.35m *compared to £11.9m without the* extra relief. If nine out of 10 failed, the loss to the investor would be only £850,000 compared to a massive £4.9m without the extra relief.

Observers were quick to point out the weakness in this measure—that it provided more protection against loss than reward for success.

The Consultative Committee of the Accounting Bodies in the UK, for example, returned quickly to the Government, arguing for measures to "encourage private investors to back potential profit-makers instead of providing relief for loss-makers."

Other problems with the Section 37 measures are that tax relief can be taken only on crystallised losses and investments must be made directly by individuals. Most individuals have neither the time nor the expertise to evaluate small business *investment* opportunities but the law precludes acting through the customary professional intermediaries, such as investment and unit trusts. Electra was the first to figure a way around the tight wording of the section but it took more than nine months to do it.

The Government responded to the pressure for further positive steps and introduced a provision in this year's Budget that would allow individuals to deduct from current taxable income equity investments in new businesses up to £10,000 a year.

Again, however, the provisions, as revealed in the recent Finance Bill, are extremely tightly written, and, in the view of many analysts, make the proposed scheme almost useless in its present form.

For example, in order to qualify companies must not to any substantial extent deal in goods, commodities or land or be banks, insurance or finance companies. For their part, investors must not be associated with the directors, partners or employees of the companies they invest in. So much for the archetypal Aunt Agatha.

Other provisions—the section *fills 16* pages in the Finance Bill—limit the stake an investor can take in a company to 30 per cent and prevent the company from having more than one class of share capital, from being connected to a holding company or having any subsidiares during its first three years of existence.

Avoidance

The drafting of the statute obviously reflects the Inland Revenue's fears of tax avoidance schemes, but it is hoped that the provision will be eased in debate. They will otherwise be of limited use.

While the Government has been struggling to help individual investors with tax relief, the City has been moving to create more opportunities for people to invest in small businesses.

The main development has been the creation of the Stock Exchange's Unlisted Securities Market (USM) last *autumn*. The Exchange has been trying for several years to make it easier and less expensive for small companies to come to the market than through a full listing.

The requirements of the USM are a three-year track record instead of five for a full listing, simpler documentation and the issue of a minimum 10 per cent of the company's equity compared to 25 per cent for a full listing.

The response has been substantial and there are already 38 companies quoted in the USM, many at fancy prices which suggests that there is a strong demand for risky ventures.

Another development has been the emergence of investment trusts specialised to some extent in investing in small unquoted companies. Among those prominent in this field are Electra Investment Trust, Scottish American Investment Trust, London Trust and Foreign and Colonial Investment Trust. The recently floated Independent Investment Company aims particularly at quoted and unquoted high technology companies.

All this is probably the closest thing to the Small Firms Investment Companies proposed in the Wilson Committee's report on the financing of small firms in 1979. Wilson suggested that quoted investment trusts be set up to take shares in unquoted *companies and given special tax* concessions.

So far the idea has not been taken up and a number of objections have been raised, notably that it would be difficult to evaluate these trusts' holdings and they would not have any track record.

The big money investor

BY IAN RODGER

TIME WAS when you could ask a broker what to do with a windfall £100,000 and get a fairly rapid response, indicating certain portions for fixed income securities and equities and then passing on to the much more interesting problem of selecting individual stocks.

Not any more. Tax legislation is now so complicated and the purveyors of investment products so imaginative that the design of investment packages at this level is a painstaking business.

"We are talking now about personal financial planning rather than marketing" is the comment of Mr. John Clarke of stockbrokers Simon and Coates.

Indeed, the individual's particular circumstances are so *important that it is probably no* longer very useful to sketch out a "typical" portfolio. No one individual's would look much like any other's, or indeed like his own five years earlier or five years later.

Take, *for example, one of the* most likely categories of person to encounter £100,000 — the retiring executive who sells his flat in town and retreats with his wife to his already-paid-for country home.

Before *even beginning to* think about investing that money, an adviser would want to know if the executive was a civil servant with a fully indexed pension — and therefore could invest mainly for capital appreciation — or in the private sector — in which case he might *have to think about* topping up his pension or investing for income.

Moreover, does the pension provide adequately for his wife if he dies? If not, a portion of the funds should be invested to *provide an annuity for her.* Are there any maturing insurance policies that could or should be rolled over to avoid tax?

Questions

Then the adviser will get into a range of more personal questions. Does the individual want to pass on the capital to children, in which case there are manoeuvres to avoid Capital Transfer Tax? Does he want to provide for grandchildren's *school fees?* Is he or his wife sick? Do they wish to provide for nursing home care later on?

The question of work after retirement is also important, not just from the point of view of marginal tax rate but also in *terms of investment.*

"People often spend their working lives dreaming of doing something on their own, say, raising chickens," says Mr. John Cobb of stockbrokers Sheppards and Chase. "Unless they have *highly specialist skills, they should* not invest in any enterprise in which they would have to play a positive role."

On the other hand, anyone who does have specialist knowledge and has an opportunity to invest in a small business can probably take advantage of *significant tax incentives offered* in the Government's last two Budgets.

With whatever remains of the £100,000 after all these considerations are satisfied, both Simon and Coates and Sheppards and Chase might direct a fifth to a quarter into gilts, Granny bonds and National Savings Certificates. They both favour the 19th issue of certificates but warn that it will not be on the market beyond May 9 next.

The rest of the portfolio would be invested in equities and both brokers would take advantage of the removal of exchange controls to place varying portions in certain overseas markets, although they are cautious, given that the UK, U.S. and Japanese markets are now at all-time highs.

Sheppards and Chase still like the Japanese market for those who can bear low yields and remain convinced about *the growth potential of the U.S.* economy and the value of Australia's natural resource base.

Simon and Coates are dubious about Hong Kong and Japan but like Singapore and Malaysia and are becoming interested *in some European* markets for recovery.

Both brokers favour specialised offshore funds and unit trusts unless the *individual* is going to take an active interest in the portfolio himself.

Thoughts for the man with £5,000

BY TIM DICKSON

WEALTH IS of course entirely relative but the moment 30-year-old Trevor Tuckbox opened his £5,000 premium bond prize he felt extremely rich. *Leafing* through holiday brochures he had picked up the previous week, his first thoughts were for the sun-soaked scantily clad swimmers in the glossy pictures. The idea of a gigantic Mediterranean binge, however, quickly disappeared when he remembered his grandmother's words, "Invest your money carefully."

Boring as the fact may seem, £5,000 in itself is not enough for taking risks and as Trevor's City contact soon told him (Trevor was a bank clerk) £5,000 was not nearly sufficient to buy a spread of equity investments. His dream of playing the stock market quickly dispelled, he decided *to sit down* and work out his objectives.

Chances

Unmarried — with little immediate prospect of making it up the aisle—and reasonably well paid in spite of a spot of "industrial" bother at the bank Trevor realised that there was little point in investing for income. His best plan was to try to make the £5,000 grow as quickly as possible but without *taking too* many chances. Over the years he had wisely tucked away a little bit of his salary each month in a building society ordinary share account and by now had built up a reasonable "cash reserve" *both* for emergencies and holidays.

He decided not to deny himself and added in £500 so that he could really enjoy himself in the summer. Casting around for possible safe homes for the balance the choice seemed to lie between *the short-term savings plan* offered by his own bank, some sort of building society term share (where he would reinvest the interest) or something from National Savings.

Attractive

The most attractive offer, he decided, was the 19th issue of National Savings certificates, which were to be withdrawn "not later than *May 9 1981.*" *These returned* 10.33 per cent per annum free of all taxes (equal to almost 15 per cent gross in his case) if held for five years, a wait he had already decided he could afford. Although the maximum individual holding was £5,000 Trevor opted for just £3,500 leaving £1,000 for something a bit more exciting like a gilt-edged stock or unit trust. Trevor had heard the price of units could go down as well as up *but he was prepared to* take that risk and opted for a fund whose declared aim was capital growth. Although there were literally scores to chose from, he reckoned that the best test was probably *past performance* over at least the past couple of years.

During discussions with friends about the future Trevor also discovered two useful ways of saving out of income — the Government's *index-linked* Save As You Earn Contract (Third Issue) and building society-linked plans.

PROPERTY

Serene by the river

BY JUNE FIELD

Laleham Abbey and adjoining buildings in nine acres on the banks of the River Thames, are being converted to 32 residential units by Barratt. There is a special preview today and tomorrow only of mini-studios at £16,950 and apartments in Abbey Court from £37,000, and quadrangle houses and cottages in Abbey Mews from £55,000. Details from David Pretty on site, or at Barratt Developments, 668 Hitchin Road, Luton, Beds (0582 31181).

IF YOU go down to the pretty village of Laleham in Middlesex today there will be brightly painted barges on the river, fresh green willows and sunny forsythias growing near the water's edge.

The ambience has not changed much since 1880 when William Morris, travelling on his boat the *Ark* between his home in Hammersmith to his manor at Kelmscott, wrote: "The river was nearly new to me hereabouts, and much better than I expected, especially from Chertsey to Staines. It is full of strange character in many places. Laleham for instance with its enormous willows and queer suggestions of old houses on the banks."

Soon after coming off the M3 or M4, with their easy access to Heathrow Airport within a 20-mile drive from Central London, you are in serene, secluded countryside. Laleham has long attracted those who want peace and quiet; actors particularly—José Collins, Ellen Terry, Richard Tauber, Gertrude Lawrence, Bob Hope—all have lived here at one time or another.

It is said that later Edward VII when Prince of Wales used to visit the actresses who lived on the houseboats, and had his own special seat in The Horse Box bar at The Three Horse Shoes, joining the shooting parties held by the Earl of Lucan (of Light Brigade fame) whose family bought the local manor in 1803.

The original manor is documented back to 1336 in *The Laleham Commonplace Book*, a fascinating *pot-pourri* of historical anecdotes compiled by the Laleham Society, founded in 1971 to conserve the village.

The second Earl, Richard, bought the manor from the heirs of Viscount Lowther for £20,000: he knocked it down, and had Laleham Park built by John Buonarotti Papworth (1775-1847), prolific architect responsible for a wide range of commissions, from the reading and drawing-roms of Boodle's Club, St. James's, to a bailiff's cottage and farmyard at Castle Bar, Co. Mayo, for the third Earl of Lucan.

In 1932 the house was taken over as an abbey by the Community of St. Peter the Apostle, a closed Anglican order of nuns, who recently sold it through Bernard Thorpe and Partners to Barratt, one of Britain's major enterprising house builders and historic buildings' restorer. For them, Worthing, Sussex, architects Gamble, Warner and Cook are converting the abbey (now listed Grade 1) stables, and later additions, to 32 residential units among nine acres of parkland bordering the river.

Round the secluded canopied quadrangle of the old stables and clock tower, the accommodation is being transformed into three- and four-bedroom freehold houses, some with little gardens, from £70,000, plus three two-bedroom cottages from £55,000 to £71,500, both types including full kitchen appliances.

Apartments are on a 999-year lease varying from £37,000 to £50,000, including carpeting and equipment. Two of the Barratt mini-studios are a complete starter-home package including furniture for £16,950, and are bound to get snapped up quickly. You could "get-in" for £500, the rest on mortgage, probably, if your status is right. "We expect them to appeal to single professionals such as teachers, nurses, policemen or women, air hostesses, and so on, "or of course anyone on their own who is retired," marketing and sales director Mr. David Pretty told me.

The one-room living area is reasonably roomy, the kitchenette small but more than adequate, complete with the same fine quality fitments as the larger units, the toilet and shower-room the same.

A special preview of this first phase is being held today and tomorrow only, when three show-houses will be open between 10 and 6. If you have not sold your own home yet, to facilitate early exchange of contracts, the company will consider taking it in part exchange. For details contact Mr. Pretty on site or at Barratt Developments (Investments), 668 Hitchin Road, Luton LU2 7LJ (0582 31181).

Laleham Abbey itself, with its Greek Doric porch, marble floors, porphyry pillars and friezed entrance hall, is handsome and imposing, but not overpowering, a fairly modest two-storey country home. The ground-floor apartments though, to be released later in the year, each with ¼-acre garden and storage space in the cellar, can certainly be called stately. One includes a magnificent high-ceilinged room with heavy mahogany doors and many original decorative details. The rich red flock wallcovering, much of it carefully preserved under sacking, is going to have to come off though.) This room will be part of the three-bedroom, two-bathroom show apartment, which carpeted and curtained, could be around £180,000.

Devon and Cornwall

IN DEVON and Cornwall this week: I found an air of confidence in the market. Nothing spectacular, for that is not the way things go in this desirable south-west corner of Britain.

The situation is summed up by Mr. Michael Domican of estate agents Miller and Co. (17 branches covering Cornwall): "The property scene here is characteristically Cornish — steady, reliable, conservative, not given to the volatility of the *London Market*.

"In many ways it mirrors the Cornish climate, which means it is very equable."

He said the rise in property values eventually works down to Cornwall, but there is a time lag, often as long as four months. "This gives buyers greater confidence that their investment is not going to change so quickly that they would not be able to do something about it."

On offer were a five-bedroom house plus cottage in four acres close to the Helford River (£120,000), and a four-bedroom house and coach house at St. Columb, seven miles from Newquay, £95,000. Details from Miller and Co., The Mansion House, Princes Street, Truro.

In East Devon, solidly built 1920 houses in the Budleigh Salterton area are popular, and one overlooking the sea and cliffs 12 miles from Exeter and the M5, has four bedrooms, two bathrooms, heated indoor swimming pool, and a bungalow in the ¼-acre garden with paddock. Price £125,000 through The Lester Smith Partnership, Budleigh Salterton, Devon.

Making the best of chalk and limestone

GARDENING

ARTHUR HELLYER

WHEN I read books about gardening on alkaline soils (and the best in my view is *Gardening on Chalk and Lime*, by Ronald Dyson, just reissued by Dent at the very reasonable price of £3.95), I am always impressed by the number of plants that can be grown under these conditions.

It is really much easier to make a list of plants that dislike alkalinity so much that they will not put up with it under any conditions since they are not all that numerous, though one genus, rhododendron, is exceptionally rich in useful garden species and varieties. Even then it may be possible to get away with it if a sufficiently deep layer of moderately acid soil has formed over the chalk or limestone as so often happens quite naturally when woodland has been growing for a long time and falling leaves have gradually accumulated until an adequate "cap" has been formed.

In fact I think we too readily class soils as acid or alkaline as if these were the most important features determining what can be grown successfully when in fact texture and fertility are far more vital.

Many soils, my own among them, are so fine in texture and contain so much clay that it takes very little mismanagement to make them set with brick-like solidity. Gradually they can be improved by mixing in large quantities of organic matter, which will make them more open textured and amenable to cultivation, but in the early stages it may be almost impossible to work them at all in winter; and even in spring and summer, after heavy rain, it will either be necessary to keep off them altogether or to use planks to stand on so that weight is distributed and there is less consolidation.

With such soils it always pays to keep beds so narrow that they can be worked from paths or lawns that surround or adjoin them and it will also be an advantage to build them up a little above natural soil level so that at least the surface few inches have a chance to drain freely.

Faced with such a difficult soil, whether it be an alkaline marl or an acid clay, it is always the surface on which one should concentrate at the outset. Gone are the days when farmyard and stable manure were so plentiful and cheap that it was possible to trench a couple of feet or more deep and still mix in sufficient organic matter to make a significant improvement right through.

Nowadays it seems far more practicable to improve from the top downwards. If one can get an inch depth of good crumbly soil the first year, that is a step in the right direction which may, the following year, be increased to an inch and a half or even two inches.

It is surprsing how quickly one begins to see plants responding to this surface improvement. The explanation is that they do most of their feeding in the top soil and, if their roots do penetrate deeply, it will be mainly in search of water and to secure better anchorage.

This is of course, the growth characteristic upon which those who are opposed to all digging base their argument, pointing out quite truly that it is nature's way and that inversion of the soil with plough or spade is an unjustifiable interference with the normal course of events. Logically they are right and provided one can acquire sufficient rotted organic matter to make an adequate surface cover, very good crops can be grown in this way. The difficulty is to get sufficient mulching material to smother weeds and make an adequate bed for seeds and plants.

The problem with many soils over chalk and, to a slightly lesser degree, over limestone, is that they are so shallow. Sometimes there is no more than two or three inches of anything that could be convincingly termed soil. Then one is in trouble. Mr. Dyson points out that even large beech trees, which grow well on alkaline soils, fail to penetrate solid chalk subsoil to any extent and instead spread their roots out widely and are liable to be blown down by gales. To garden well on such soils it is essential to increase the depth of top soil by some means. In small gardens the simplest method may well be to pave a considerable portion of the area, excavating the soil from this to build up what remains in raised beds retained by walls mortared or "dry" according to preference.

There are a lot of good rock plants that naturally inhabit chalk and limestone formations and these can be particularly useful in raised bed gardening. Helianthemums, arabis, aubrieta and alyssum all prefer alkaline soils and so do some small shrubs such as lavender and cistus as well as a great many grey and silver leaved plants.

Although it is customary to discuss the problems of chalk and limestone soils as if they were identical, in practice this is not so and it is chalk that can be the more difficult to manage.

GOLF

ROGER PAUL

JEKYLL ISLAND, off the coast of Georgia, U.S. is famous, nowadays, as the place where Andy Bean first learnt to wrestle with alligators and to bite golf balls in half. Bean has since left to make a small fortune on the U.S. tour and the island's notoriety has reverted to its past. Jekyll Island could quite possibly be said to have contributed to the winning of World War II.

The story starts in the late 1800s, when a group of the world's wealthiest men—John Pierpont Morgan, William K. Rockefeller, Joseph Pulitzer, Everit Valentine Macey and men of that ilk—decided to try to find the ideal holiday resort. They found it in Jekyll.

Then, as men will, they founded a club. The Jekyll Island Club, with only 100 members, was estimated to represent one-sixth of the total wealth of *the world*.

At the time, J. P. Morgan owned a yacht. It was 343-ft long and Morgan spawned the original, much-poached remark, that "if you have to consider the cost, you've no business with a yacht."

When it berthed, a cannon was fired, the club attendants in their blue and gold uniforms ran down to the jetty and stood to attention as the great man came ashore. When he went riding, he would wipe the horse's flank with his white-gloved hand and if the glove was besmirched, another horse would be sent for.

Pulitzer at the time of his membership, was going blind and was extremely sensitive to noise. His home was near the jetty and one day he told the captain of a dredger, which worked continuously whilst the club was open: "If you don't blow your whistle when passing my cottage, I'll give you $100 a day."

Where there is wealth, there is frequently eccentricity, and the Jekyll Island Club had its share. McEvers Bayard Brown, for instance, who was one of the world's wealthiest bachelors, found a fiancee, only to be jilted.

He set sail in his yacht, fetched up in Essex, England, and waited there for the word that his loved one had changed her mind. He kept the yacht's crew of 18 on daily alert, for 36 years. In that time the yacht never put to sea and any employee who even mentioned America, was instantly sacked. Mr. Brown died forlorn.

The first thing the Millionaires Club, as it became known, did was to build a golf course. The land was ideal, with sand dunes providing genuine links land, and their only major problem was to get rid of the seashells. The 18 holes were played until one fateful day in April, 1942.

The millionaires were on Jekyll in force when, quite suddenly, a German submarine surfaced in the channel that runs between the island and the neighbouring St. Simons. It recharged its batteries and was never seen again.

But within 24 hours there was not a millionaire left on Jekyll. The Government, fearful of an abduction of half the nation's wealth, ordered immediate evacuation, and the U.S. Coastguard implemented the order within a day. They were too late for some, it is said, who cleared the island in 20 minutes flat. Houses and possessions; anything which could not be carried, was abandoned.

Germany could not have done anything better designed to anger the most powerful men in America, and within six months the country was at war. The rest you know.

After the war a golf complex was built. It now consists of three 18-hole courses, all of which start and finish at the same clubhouse.

Now anyone can play golf on Jekyll Island.

TRAVEL/MOTORING

Winkles and salty breezes

BY ARTHUR SANDLES

IT IS bordering on the unfashionable these days to talk lovingly of weekends by the sea. After a century of favour, the pendulum of tourism has swung towards the countryside. Cathedrals and cream teas reign where once Punch and Judy and lettered rock ruled supreme.

I am almost embarrassed to confess to the sense of excitement that rises when the train from Paddington to the far west of England starts to hug the coast. The building of this railway may have ruined the coastline for its residents, but what wonders it has provided for generations of travellers. The gulls, the little boats, the grey skies (somehow the British seaside never looks quite right under a blue sky) and the sleepy stations are all part of my image of a real holiday.

Somehow Heathrow and Luton Airports have never quite caught the sense of excitement that is provided by the long-haul platforms of Victoria and Paddington. Winkles and salty air start at Liverpool Street in a way that sangria will never start at Gatwick.

Sex, politics and religion are supposedly the only banned subjects *for polite conversation*. To that somewhat restricted list I am tempted to add the British coastline. Even to suggest that Dorset, South Wales or Northumberland might have particular attractions is to invite contempt from the advocates of Cornish, Kent or Scottish alternatives. To venture into the subject of favourite areas is to seek abuse.

There are still a couple of months left to enjoy the British seaside at its best. Once schools have released their charges from the prison of year-end examinations then cars will start to clog the approach roads and caravans will burst like so many multi-coloured chrysalises and pour their contents on to beaches and promenades. And yet even to walk a beach like Camber Sands on the Sussex/Kent borders is a tearful experience (you can always blame it on the high winds rather than nostalgia) at any time of the year but July and August.

Even in peak periods it is not very difficult to find quiet beaches. While in the car at Easter we heard dismal tales of traffic jams and crowds but we enjoyed relative isolation in a sun-drenched, if still chilly, North Wales. A local Ordnance Survey map is the best guide book I know.

As for other guides I tend to rely on the British Tourist Authority's booklet listing *Commended Country Hotels, Guest Houses and Restaurants* (95p), the Michelin Guide and Egon Ronay's main Lucas Guide and also his *Just a Bite* paperback. The Consumer's Association *Good Food Guide* is a bit thin on the areas where the coast is best.

This comment, however, applies to all the guides when it comes to one of my favourite areas—Northumbria. Perhaps having been born there means I am more willing to accept its wilder aspects, but the short summer season and general distance from what southerners regard as civilisation certainly seem to have deterred the middle-class drop-out brigade which is the current backbone of our rural catering industry.

There are, however, interesting places to stay. At last look, Mrs. Campbell was charging *only £13 a night for a double* room at the 400-year-old Spindlestone Farm at Belford. Michelin suggests you might try the Lord Crewe Arms in Bamburgh, birthplace of Grace Darling and worth visiting for its red sandstone castle. If you prefer to stay near a railway station there are one or two good resting places in Berwick-upon-Tweed, which is an excellent centre.

The very distance of Northumbria — which in tourist area terms means, Northumberland, Durham, Tyne and Wear and Cleveland — from the major *centres of population means* that visitors are probably best to plan ahead, particularly if you are visiting off-season. Even at Easter I found many rural and coastal hotels and restaurants firmly closed.

A good starting point for weekend package research is an English Tourist Board publication, *Let's Go*. The validity of this booklet (aimed really at the winter of 1980-81) is rapidly running out, but some of the special packages are still available and will be until the end of May. The King's Arms in Berwick, for example, is offering two nights bed and breakfast, including a £5 allowance towards a la carte dinner, for £33 per person (sharing) and the rooms have bathrooms.

To appreciate this north-east coast of England you have to have a taste for scenic sturdiness. The Grace Darlings of this world did not rise from namby-pamby golden beaches wafted by gentle breezes. Northumbria has stature.

Fishermen on Holy Island, Northumberland — *Terry Kirk*

Unfortunately what it possesses in spectacle it lacks a little in gastronomy. If your tastes tend toward *a mild perambulation between one multi-rosetted hostelry and another* you must head south. Sussex, Kent, Devon and Cornwall are the happiest hunting grounds, but once again be warned about erratic opening times. Monday lunch can be a devilishly difficult meal to find.

Oddly enough Dorset's magnificent coastline may have proved a magnet to visitors over the years, but it has not produced a rush of restauranteurs. Neither Ronay nor Michelin reckon there is much worth eating other than in hotels in the major centres of Weymouth or Dorchester and I cannot say that my own excursions have proved them wrong. But simply to sample the wild pleasures of Chesil Beach (don't for heavens sake try swimming there), enjoy the coastal walk from Lyme Regis to Seaton (eight miles of battleground between encroaching sea and broken land), and the enticing mystery of the Hardy Country.

It is a tragedy that Roman Polanski's domestic life prevented his making the newly released and scenicly impressive film *Tess* in Hardy Country itself. The film was actually shot in France and, pretty that it is, it simply is not Dorset.

The *Let's Go* booklet contains several packages from as little as £25 but with an average around £40 for weekends until the end of May—and most *hotels are still offering deals* until the school holidays. You could always pamper yourself by starting off at Chewton Glen in the New Forest, combining a bit of inland comfort with coastal sight-seeing. There, however, the bill for a three-day stay will be a little over £100 basic—but some say it is the best country hotel in Britain.

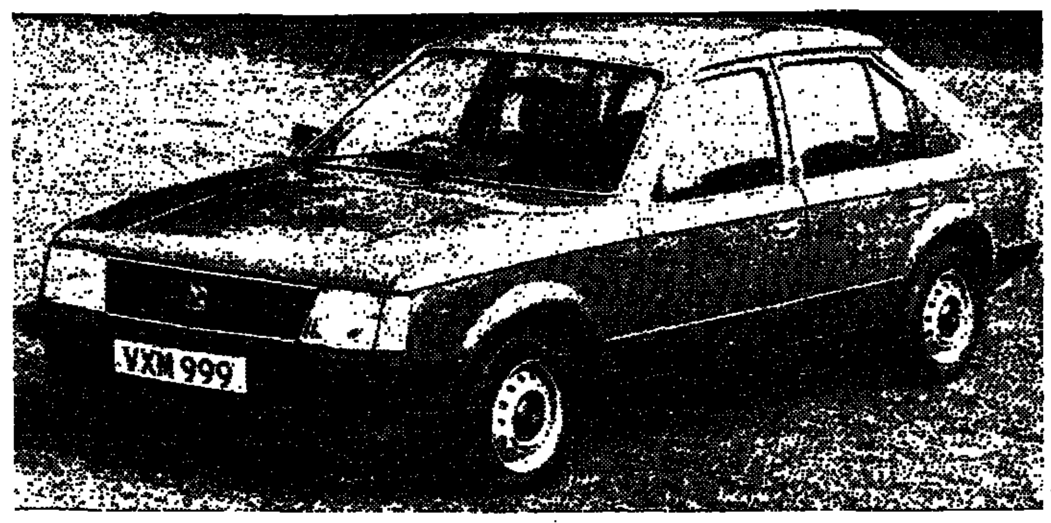
By and large *I think* that British rural hotels have got themselves an unfortunate image for expense over the past four or five years, and one which is not entirely justified. Room rates do not seem all that different from those in Europe, given like for like. You can stay in a south coast town hotel for about the same as you would pay in France (yes, I have done both for several nights this year). The real problem comes *with food*. It is extraordinarily difficult to eat well in Britain for less than, say £15 for two, with wine.

No wonder, therefore, that the all-in packages have proved such a success and why wine bars are proving so popular. Last week I might have been confirmed in my view that the national dish of Wales was fish and chips until we stumbled upon a friendly, and justly crowded, wine bar in Llangollen.

Inevitably, therefore, when talking about weekends by the sea, the British must occasionally look *across the Channel*. The scenery does not compare with the British equivalent until you get more than a reasonable weekend haul away, but there are other attractions.

Without personal doubt, the best weekend destinations on the northern French coastline are Dieppe and Le Touquet. Dieppe, whose delights have been the object of comment in the column before, provides splendid satisfaction for my addiction to sea food, and Le Touquet, whose restaurants are both more expensive and less impressive than those of Dieppe, offers physical relaxation. You can scarcely go wrong eating at any of the many restaurants grouped around the port at Dieppe.

Further information: English Tourist Board, 4 Grosvenor Gardens, London SW1. East Anglia Tourist Board, 14 Museum Street, Ipswich, Suffolk. Northumbria Tourist Board, 9 Osborne Terrace, Jesmond, Newcastle-upon-Tyne, Tyne and Wear. West Country Tourist Board, Trinity Court, 37 Southernay East, Exeter, Devon. Southern Tourist Board, Old Town Hall, Leigh Road, Eastleigh, Hampshire.



The Astra 1200L: the best small car ever to bear a Vauxhall badge.

Vauxhall's best small car

BY STUART MARSHALL

THE JOURNEY started ordinarily enough. A bright, clear morning had dawned and I was making good time in a Vauxhall Astra, heading from Kent to West Sussex on an *uncrowded A272 that had been* dampened, but no more, by overnight rain.

At Haywards Heath oncoming traffic appeared with headlamps on, and the sky darkened. The rain began and within minutes was as near to a tropical downpour as one ever sees in southern England. The first floods between Cuckfield and Bolney Cross were nothing; enough for a cautionary slowing down, but not more. But by Cowfold the road was entirely covered, inches deep, for 50 yards at a *time*.

Within sight of the National Stud at West Grinstead, traffic waited in a long line. A police Land-Rover appeared, towing a waterlogged Princess. The sign on the verge said: "Road closed by flooding."

There was nothing for it but turn around and try to bypass the flood by going north.

In the lanes, yellow torrents rushed from farm drives and water that lay in the roads came over the bottom of the Astra's doors. None got inside and the engine did not miss a beat. Then another police "Road closed" sign appeared. Back again to the A272: could one get round to the south? Alas, not. Midhurst, where Citroen wanted me to drive the new versions of the Visa, was as far out of reach as though it were over the Channel and the ferries were on strike.

So I forgot about Citroen, headed home and concentrated on the Astra. The model I had was the 1200L four-door, at £3,960 not the most expensive in the range and without question the best small car ever to bear a Vauxhall badge.

The Astra, of course, is really an Opel Kadett, with a few insignificant cosmetic changes to justify the different name. It is everything a smallish family saloon should be. The engine is lively and free-revving up to 70 mph and more in third but pulls smoothly and strongly at under 30 mph in top. The four-speed gearbox is awkward to get into reverse but the change is otherwise quick and pleasing. Ride quality is typically German; firm and taut. There is a *little* tyre thump over poor *surfaces but never any doubt* where the car is going despite sharp bends.

The seats are roomy and well shaped and leg space for rear passengers is more than adequate for this class of car. The driving seat rises a little when pushed right back which allows long legs like mine to brush against the steering wheel. Controls are neat; instruments are in full view (though I don't think much of a nearly £4,000 car that lacks a trip mileometer and has a cheap, grunting kind of horn) *and the wipers reach, as they* should, right up to the offside screen pillar.

For mainly short runs, briskly driven, I obtained 32 mpg; gentler use should return 36-37 mpg.

A few weeks earlier I had driven a totally different kind of Vauxhall — a Carlton estate modified by Bill Blydenstein, whose small band of experts breathes incredible performance into Vauxhall rally cars. The Carlton's engine had been enlarged to 2.4 litres capacity, *reassembled* with a special crankshaft, pistons and connecting rods and the car had a firmed-up suspension.

Mr. Blydenstein, who says the Carlton 2400 estate is his favourite mode of family transport, intended the conversion to provide top gear acceleration at least as good as that of the standard 2-litre estate in third gear. The 2400 not only clips almost a second off the 0-60 mph acceleration time but its pick-up from 50-70 mph in fourth is 30 per cent quicker than the 2-litre achieves in top and is about the same as it does in third.

A by-product of this extra urge in top gear is the need to do much less gear changing, with a predictably good effect on fuel consumption. My 24.3 mpg, mainly for driving at the sort of speeds many people cruise at on motorways nowadays, was typical of what Bill Blydenstein has achieved in the 2400 over the last 20,000 miles.

The conversion costs £1,475, plus VAT, and brings the Carlton 2400 estate's total up to £8,540. Is it worth it when a Mercedes 200T estate is now *only £8,950*, with power steering? In sheer performance terms, the answer must be yes. But in resale value? Buyers are understandably wary of any standard car from which extra performance has been extracted. Against that, the converted engine in the Carlton 2400 is assembled with greater care than any assembly line product.

CHESS

LEONARD BARDEN

DURING 1980 British chess players finished first in more than 20 international tournaments, an all-time record reflecting the achievements of a group of talented young masters. It will be surprising if 1981 matches this result, if only because of the trend to stage fewer but more competitive events. Playing overseas may sound a glamorous life, but it involves all the usual hassle typified by Tony Miles's abortive entry for the great Moscow tournament now in its closing rounds.

One of three invited Westerners, Miles was still without visa or airline tickets two days before the start. When they arrived, he was faced with travelling so late that he would have needed to postpone *at least* his first round and possibly his second game as well—and that in a competition with Karpov, Kasparov and many of the top names of Eastern Europe. The British No. 1 decided that it was like giving odds to a world-class field to take part under these conditions, and withdrew.

It was a double misfortune for Miles. To accept his Moscow invitation, he missed his normal entry to the great Lone Pine event in California where last year he took the $10,000 second prize. Lone Pine 1981 featured a dramatic last-minute appearance by Viktor Korchnoi, who arrived on a midnight Greyhound bus after the official Soviet entrants, Romanishin and Yusopov, were already booked in at their hotel and ready for play. The Russians, *taken by surprise, did not* withdraw and Korchnoi thus at last broke the "blockade" where he has been unable to meet his ex-countrymen outside FIDE world competitions.

Lone Pine ended in a complete triumph for Korchnoi, who *beat Yusopov* in their individual game and won the $15,000 first prize. Meanwhile, in Moscow, Karpov was well ahead with three rounds to go (Karpov 7½/10, Polugaevsky 6/10, Kasparov 5/9) so that the two world championship protagonists (who begin their title match in Merano, Italy, *in September* or October) have again decisively proved their superiority to their leading rivals. For Miles, on the other hand, Lone Pine/Moscow has brought only frustration and to add to his misfortune he was beaten *for first* place by Mark Hebden in the Woolwich Building Society open at Harrogate over Easter.

In contrast, the British No. 2, John Nunn, has continued the steady advance which last autumn brought him to the fringe of the world elite. His latest success is a tie for first *prize with the* Yugoslav, Matulovic, in a grandmaster international at Helsinki. This week's game, with comments by the winner, shows the classical theme of stopping a K-side attack by a counter against the centre.

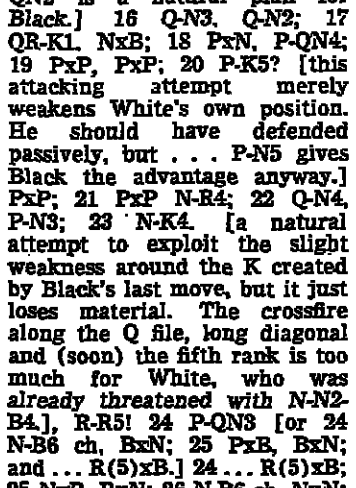
White: Thomas Ristoja (Finland). Black: Dr. John Nunn (England). Sicilian Defence (Helsinki 1981).

1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4, PxP; 4 NxP, N-KB3; 5 N-QB3, P-QR3; 6 P-B4, P-K3; 7 B-Q3?! [better is the normal 7 B-K2. At Q3 the bishop can *be exchanged*, while White also loses time with his KN.] N-B3; 8 N-B3, B-K2; 9 0-0 0-0; 10 P-QR4, N-QN5; 11 K-R1, P-QN3; 12 Q-K1, B-N2; 13 B-K3, Q-B2; 14 R-B1, KR-Q1; 15 B-Q4, B-B3! [now that White can no longer play N-Q4, the long diagonal set-up of B on QB3 and Q on QN2 is a natural plan for *Black.*] 16 *Q-N3, Q-N2*; 17 QR-K1, NxB; 18 PxN, P-QN4; 19 PxP, PxP; 20 P-K5? [this attacking attempt merely weakens White's own position. He should have defended passively, but . . . P-N5 gives Black the advantage anyway.] PxP; 21 PxP N-R4; 22 Q-N4, P-N3; 23 N-K4. [a natural attempt to exploit the slight weakness around the K created by Black's last move, but it just loses material. The crossfire along the Q file, long diagonal and (soon) the fifth rank is too much for White, who was *already threatened with N-N2-B4.*], R-R5! 24 P-QN3 [or 24 N-B6 ch, BxN; 25 PxB, BxN; and . . . R(5)xB.] 24 . . . R(5)xB; 25 NxR, RxN; 26 N-B6 ch, NxN; 27 QxR, BxP ch; 28 K-N1, BxR; 29 RxB, N-Q4; 30 Resigns.

An easy game to understand, since all Black's *moves* were natural and designed to step up the pressure on White's centre and *restrain* White from advancing a passed pawn.

POSITION No. 368

BLACK (9 men)

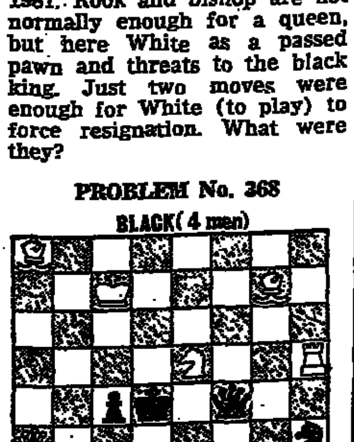


WHITE (10 men)

J. Cox v. N. Davies, Lloyds Bank junior championships 1981. Rook and bishop are not normally enough for a queen, but here White as a passed pawn and threats to the black king. Just two moves were enough for White (to play) to force resignation. What were they?

PROBLEM No. 368

BLACK (4 men)



WHITE (6 men)

White mates in two *moves*, against any defence (by G. Dobbs, 1915). The black king has no escape square, but the puzzle is to find a white piece able to give mate without releasing the king.

Solutions Page 18

BRIDGE

E. P. C. COTTER

A NEW quiz book by Ron Klinger, *Bridge Without Error* (Gollancz £3.95) is presented in an unusual form. You are given your hand and dummy's —the other two hands are your concepts of them. In the solution overleaf you find the complete hand, which may be somewhat different from that *shown on the previous page*. This highlights your mistakes (all players from the greatest to the least make mistakes) and the recognition of *mistakes* is the teacher *par excellence*. You will enjoy this book.

We start with a hand from rubber bridge:

	N	
	♠ 8 4 ♡ A 9 7 6 3 ◇ A 10 ♣ K Q 8 6	
W ♠ J 7 3 2 ♡ 10 5 ◇ K J 8 5 3 2 ♣ A		**E** ♠ K Q 10 9 6 ♡ Q J 4 ◇ Q 7 6 4 ♣ 9
	S ♠ A 5 ♡ K 8 2 ◇ 9 ♣ J 10 7 5 4 3 2	

At game all, North dealt and bid one heart. East overcalled with one spade, South said two hearts, and West two spades. North rebid three hearts, East said three spades, and South tried four clubs. West persisted with four spades, and North's five clubs concluded the auction.

West led the spade two, declarer took East's Queen, and returned a spade. East won, and led a diamond to the nine, Knave and Ace. Declarer ruffed a diamond and led a club. West won and led the heart ten. The declarer could not avoid losing a heart, and went one down. What errors were committed?

In actual play South made his contract. At trick five he first cashed the Ace and King of hearts, then led a club. West had to win, and was endplayed. West could have avoided this by taking the second trick with *his spade* Knave and cashing the Ace of clubs. He should have asked himself why South had at once returned a spade *at trick two. Surely he was* planning a strip and throw-in?

The declarer made no actual error, but it is psychologically better to allow East to win the first trick—it arouses less suspicion.

We turn to match-pointed *pairs:*

	N	
	♠ Q 10 9 7 6 ♡ — ◇ K Q 10 6 3 2 ♣ Q 4	
W ♠ K J 3 ♡ Q J 10 7 3 ◇ A 8 ♣ K 7 2		**E** ♠ 5 ♡ A K 9 8 6 ◇ 9 7 5 ♣ A 8 5 3
	S ♠ A 8 4 2 ♡ 5 4 2 ◇ J 4 ♣ J 10 9 6	

With North-South vulnerable West dealt and bid one heart, and North said two hearts—the Michaels convention—showing spades and a minor suit. East doubled, South said two spades, West bid two no trumps, and North raised to three spades. East carried on to four hearts, which is on ice, and North completed with four spades, which was doubled by West.

The diamond Ace won the first trick, and this was followed by the eight, which South won with the Knave. The declarer continued with Ace and another trump. West took his King, and the defence took two club tricks to put *the contract* one down.

In actual play South went two down by this line of play. It was wrong to play Ace and another spade. South played West for King and another spade. But surely his two no trump bid placed him with King, Knave, and another. Furthermore playing for a diamond ruff is hardly consistent with holding King and another trump. South's correct play at trick two is to lead a low spade toward dummy's Queen. Then, if West rises with his King, cashes the club King, and leads a club to his partner's Ace, the declarer can ruff East's diamond return with the Ace of trumps, and subsequently finesse the Knave of spades in dummy, holding the penalty to one undertrick. Minus 200 is a good score, but minus 500 against a non-vulnerable game is a *disaster*.

Breaking up the big solid battalions

BY MALCOLM RUTHERFORD

Politics is for People
by Shirley Williams. Allen Lane (hardback) £8.50. Penguin £2.50. 230 pages

Freedom & Capital
by David Howell. Basil Blackwell. £6.95. 127 pages

Shirley Williams is such an engaging and energetic figure that it is rather sad to have to report that she has not written a very good book. Neither has David Howell, the Secretary of State for Energy. What is remarkable, however, is the extent to which the pair of them have written the *same* book.

Between them they represent the new politics—of the radical wing of the new Social Democrat Party and the radical intellectual wing of the Tory economic right. It is not always easy to know which is which.

The starting-points are almost identical. Mrs. Williams concedes that the intellectual winds are now blowing from the right. "The liberals, the progressives, the social democrats," she writes, "have exhausted the conventional thinking of the post-war years." Mr. Howell agrees: "Socialism in Britain is now on the defensive, and not just in party political terms, but in intellectual terms as well."

There are other points in common: for example, the emphasis on the way that British politics tends to be dominated by class. The reference to the "quite amazing persistence of class politics" in this country comes not from Mrs. Williams, but from Mr. Howell. It is Mr. Howell again who writes that class politics is "wrecking" the British political scene. Mrs. Williams would not demur.

The twin thesis, if we may call it that, is that too much power has become concentrated in the hands of the big battalions: the unions and the corporations, the TUC and the CBI, and government itself. It is necessary to decentralise—Mrs. Williams's term—or deliberately to fragment — the language favoured by Mr. Howell — in order to give power, and choice, back to the people.

Besides, the old institutions have ossified. The Howell-Williams comments on the trades unions are almost interchangeable. There have also been great sociological changes: for instance, in the number of women at work. Again, the two authors are at one. Not least, there is now a large part of the electorate which does not want to vote either for a party dominated by the unions or for a party that still seems to represent the old idea of capitalism.

As for the answers, you look abroad — mainly to West Germany, though also to the U.S., and you scour the comparative reports of the OECD. One cannot help feeling that Mrs. Williams missed a trick by not embracing the German Social Democrat concept of *Vermoegensbildung* — the accumulation of assets by employees. That is left to Mr. Howell, the Tory.

Of course, there are differences. Mrs. Williams is clearly still much more interventionist. Her emphasis is on training, apprenticeships—again from the German model. She is impressed by micro-electronics, biotechnology and would like a computer in every school. The comparison that comes to mind here is with another former Minister of Education, Mrs. Thatcher. The comparison is not meant to be unflattering to either of them, but one wonders why—since they seem to have so much in common—they do not realise it themselves.

Mr. Howell's emphasis is more on wider ownership, not least because a broader distribution of wealth would give individuals a greater stake in preserving a stable society. "The more fragmented, dispersed, widely-shared the ownership pattern in a society, through worker shareholdings or family business," he writes, "the greater the sense of common cause . . . the more diffuse the power, the greater the unity."

It is not quite clear, since he does not discuss education, whether Mr. Howell would go along with this remark by Mrs. Williams: "It is with reluctance that I for one conclude that the freedom to send one's children to an independent school is bought at too high a price for the rest of society." Yet given his own comments on the malign influence of class on British politics, perhaps he does. If he does not, he ought at some stage to tell us why.

The shortcomings of the two books, however, lie not so much in what they say as in what they omit. Any elementary student knows by now that they order things better elsewhere. The problem is how to translate social change into British politics, and for the answer to that we look to the politicians. Mrs. Williams's book contains no reference to the Social Democratic Party, of which she is a founder member. Mr. Howell's was written largely before the last General Election and includes no discussion of the difficulties involved in putting Conservative promises into practice.

Both books end with what has become the obligatory nod to the need for institutional change, but it seems to mean little more than giving the new House of Commons Select Committees time to work. One would like to hear rather more about the political problems encountered by the practitioners.

Mrs. Williams, for all the breadth of her research, can be alarmingly superficial. She appears to judge the extent of disillusionment with political institutions in western countries by the turn-out in general elections. The turn-out in France and Germany is higher than in Britain and, especially, the U.S. That might be because France and Germany have stronger conformist traditions, or because their elections take place on a Sunday. It might even be that the mark of a mature democracy is to bother to vote only if the result is in doubt. Those possibilities are at least worth consideration before reaching conclusions.

Mr. Howell, either out of an outrageous use of shorthand or out of ignorance, appears to suggest that the term "social market economy" was suddenly coined by Ludwig Erhard in a fit of political inventiveness in the 1950s. He would like the adjective "social" to be added to Tory market economics today. In fact, the theory goes back to the Freiburg School of the 1930s and the specific term was first used in writing by Prof. Mueller-Armack, an adviser to Erhard, in 1946.

The social market economy means the free market economy plus a framework to enforce competition and a safety-net for the disadvantaged. It acknowledges the primacy of monetary policy.

One suspects that that is what Mrs. Williams and Mr. Howell are groping towards, with the former a bit deficient on the monetary side and the latter on the safety-net. It is an entirely welcome development, but they might have talked to each other before.

Shirley Williams: admired apostate

Half-truth treaty

BY GEORGE MALCOLM THOMSON

The End of Order: Versailles 1919
by Charles L. Mee Jnr. Secker and Warburg. £8.95. 301 pages

The cast was marvellous. The setting was the best that Mansard and Louis XIV could design. The play was tragedy, or comedy, occasionally farce, or just plain, straightforward melodrama. Looking back at the Versailles Peace Conference, it is astounding that anything at all came out of it, least of all a European settlement which hobbled along for 20 years.

But, first of all, the dramatis personae, since they are the chief concern of Charles L. Mee. Look at them; consider them well. The inspection will not take long for what began as a vast operation (1,300 Americans, a British delegation that filled five hotels) was in the end thinned down to three, the Big Three, Clemenceau, the French Jacobin; Woodrow Wilson, the Princeton professor; and Lloyd George, the conjuror from Wales.

It would be hard to find a trio more interesting in themselves, more likely, by the clash and contrast of their characters, to keep the extraordinary drama alive.

It is a measure of the stature of these men that, say, Balfour seems to be a secondary figure, watching Lloyd George "like one entranced by the beauty of a firefly," and wearing the top-hat for a ceremonial occasion: "I was told it was obligatory," to which Clemenceau, wearing a bowler, retorted "So was I!"

To the end, Lloyd George remained the quick, astonishing, superficial politician who, when he was told that Albania was divided between warring clans, thought at once of Scotland and offered the throne to the Duke of Atholl. "I would rather be Duke of Atholl," said Curzon. The Duke agreed. Maundy Gregory hawked the job around at a quarter of a million; no takers.

Jules Cambon said to a British diplomat, "My dear fellow, do you know what is going to result from this Conference? An *improvisation!*" What else could be expected when the greatest political improviser of the age was at the head of the British delegation and when the Frenchman thought only of France's frontier on the Rhine.

Feelings running higher in France than elsewhere—France had more to lose or gain. Clemenceau was the only one of the three who was nearly assassinated, "the only sensation I hadn't yet had." The Pope sent his blessing. Clemenceau, like a good Jacobin, sent his blessing to the Pope.

Mr. Mee has pieced together, from many sources, the story of this extraordinary international assembly, where statesmen, in a starving continent over which revolution brooded, tried in a matter of weeks to undo the work of decades or centuries.

Could they have succeeded when the problem they had to deal with was not German military power, which was defeated, but the novel intangible force of Bolshevik revolution, which in due course became Soviet imperialism? The man who had conjured up this force appears only for a moment in Mee's pages, a shabby, acrid little man in desolate Petrograd, Lenin. In the delegation that interviewed him was Lincoln Steffens who then coined the phrase, "I have been over into the future, and it works."

Mee's main concern is anecdotal, with the personalities and

Philip Madoc as Lloyd George in the TV series on BBC-2 written by Elaine Morgan based on the book by David Benedictus (Sphere, £1.25)

the events of Paris. The colour, the movement and the surprises of those days — all are here. Keynes, who was the first critic of the treaty that emerged, had time to snap up some picture bargains in Paris which are now in the Courtauld Institute. He also brought out of a POW camp in Italy, the typescript of Wittgenstein's *Tractatus Logico-Philosophicus*, which he conveyed to Bertrand Russell.

All was not waste and failure.

Russian diet of dissent

BY IAN DAVIDSON

The Radiant Future
by Alexander Zinoviev. Bodley Head. £7.50, 287 pages

Soviet Dissent in Historical Perspective
by Marshall S. Shatz. Cambridge U.P. £12.50, 214 pages

On Soviet Dissent
by Roy Medvedev. Constable. £5.95, 158 pages

In 1976, Alexander Zinoviev's *The Yawning Heights* was published (in Russian) in Switzerland. As a result, Zinoviev was deprived of all his academic appointments as a leading Soviet philosopher and thrown out of the Party; subsequently he was allowed to leave the Soviet Union, and then deprived of his Soviet citizenship.

To describe it as a novel would be misleading, since it contains no discernible plot. Rather, it is a vast (829 pages in the English translation), sprawling, undisciplined extravaganza of satire on the Soviet political system, projected mainly through conversations between, or anecdotes about archetypal role-players—Troglodyte, Thinker, Dauber, Bawler, Snottyhanky, Secretary, Slanderer—in the country of Ibansk, home of the ideology known as The Ism Savage; outrageous and from time to time very funny, it suffers from being too talky, too bitty and too shapeless. But it is a unique achievement, and probably the most savage attack on the Soviet system to have been written from inside.

The Radiant Future has the same underlying theme and unmistakably comes from the same stable; indeed, from its opening pages one gets the impression that it is the same kind of idiosyncratic book, whose building bricks are a succession of cynical, circular and satirical debates on the nature of Communism and the Soviet system.

But it quickly becomes clear that this time Zinoviev has set out to write what is recognisably a novel, with a coherent narrative thread running from beginning to end. Perhaps it is autobiographical, for the narrator is an ambitious political philosopher, who is torn between his careerism and his intellectual honesty.

What takes *The Radiant Future* a major step forward from *The Yawning Heights* is the way it interweaves the personal with the political, the wild unreality of the theoretical debates with the banality of everyday life, a counterpoint which lends an illusory verisimilitude to the narrative; personal tragedy lived out in an insane asylum.

The political discussions take place mainly between the narrator and his closest friend, Anton, who is an uncompromising dissident against the system. The narrator is seduced by Anton's views, but in public he tries to tread a stealthy line for the sake of his career; he's building a little academic empire, and he hopes to get into the Academy, so he wants to keep his nose clean, and is alarmed at the outspokenness of his adolescent son and daughter. A closet dissident himself, he's working the system.

The thumper comes in the closing pages of the book. We have learned quite early on that, some years before, Anton spent time in prison, as a result of a denunciation. Needless to say, the narrator not merely fails to get into the Academy but also loses his present job; and *then* he learns that his daughter has committed suicide because she had accidentally discovered that it was her father who had denounced Anton all those years ago. Anton, of course, had always *known it*; he understood the system, and their friendship survived. But she could not live with such ambiguity.

What comes across so poignantly, in the space between the black farce and the personal tragedy, is not merely the fact that the urge to dissent must be endemic in the intelligentsia in a Soviet type system, but that, on the whole, it is laughably easy for the authorities to repress this urge by playing on the basic needs and ambitions of ordinary, unheroic people, whose careers can be only too easily destroyed by rumours, cabals, denunciations. You do not need to send many people to psychiatric prisons or internal exile to keep the rest in line.

As in *The Yawning Heights*, the translation by Gordon Clough reads beautifully.

Curiously, Zinoviev is not mentioned in Shatz's *Soviet Dissent*; I should have thought that *The Yawning Heights* and *The Radiant Future* were at least as significant as Solzhenitsyn's *Ivan Denisovich* and *The Gulag Archipelago* or Roy Medvedev's *Let History Judge*. But apart from that strange omission, Shatz has written an elegant and literate book which explains clearly why intellectual dissent has been as constant a feature of Russia for at least 200 years as centralist authoritarianism—and why the dissent of the intelligentsia has been as ineffective since the October revolution as it was before it.

He quotes Nedezhda Mandelstam:

"It may seem a small thing, but a private income apparently makes for a certain freedom of thought. If you receive every morsel of your daily bread from the powers-that-be, then you are wise, if you want to be sure of getting a little extra, to give up thinking altogether."

The paradox is that the modernisation of the Soviet system requires a large and vital intelligentsia but also demands that it shall not think freely about politics.

One of the points well brought out by Shatz, as well as by Medvedev, is the diversity of intellectual dissent: the Solzhenitsyns, who reject the whole thing root and branch, the Sakharovs, who have no political model and demand only personal freedoms, and the Medvedevs (and perhaps the Zinovievs?) who cling to socialism but want it to be reformed with democracy and freedom and criticism. Inevitably, this latter school is tortured by uncertainty over whether reform is possible, and if not, what then?

"There is," (says Medvedev) "an old but rather depressing aphorism on the difference between optimism and pessimism. A pessimist says that things are bound to get worse; an optimist says they couldn't possibly get worse. This clever bit of irony doesn't really apply to the situation in the USSR, however. Things could get worse or they could get better; everything depends on the circumstances and what people do."

That is a far cry from historical determinism, and a measure of the emotional effort needed to go on believing in the possibility of reform. For Zinoviev the effort finally became impossible; but if I read him right, he left half of himself behind in Russia and in the socialist dream.

Holy terrors in Vatican

BY MARTIN SEYMOUR-SMITH

The Clowns of God
by Morris West. Hodder & Stoughton. £6.95, 400 pages

Sharpe's Eagle
by Bernard Cornwell. Collins. £6.50, 266 pages

Midnight's Children
by Salmon Rushdie. Cape. £6.95, 446 pages

Men of Men
by Wilbur Smith. Heinemann. £7.95, 504 pages

The theme of Morris West's new novel, *The Clowns of God*, is certainly daring for a best-seller — which this will undoubtedly be. Pope Gregory XVII, quite obviously intended as the successor to the present Pope, goes into retreat and has a revelation of the end of the world and the Second Coming. He feels it imperative to proclaim this in an encyclical letter. But the cardinals will not allow it. They tell him that they will have him certified insane. He abdicates; but not in order to preserve silence.

The result of this audacious beginning is, predictably enough, a lucidly written thriller, its background the question: is Gregory mad, or is the revelation in which he believes a valid one?

Morris West should get full marks for professionalism and for a valiant attempt to avoid the banal. But this theme, unless in the hands of a master (who might prefer not to employ it in so direct a manner), is inevitably pretentious—even if, in a manner of speaking, the world is on the very edge of its end. The author's characters are crisply drawn, but are none the less cardboard, and his resolution of the plot is trivial since it avoids the issue and yet pretends not to do so.

Yet, though there is a profound vulgarity about this book, there is also a patent sincerity. This is not a cynical popular work, and it would probably lose something if it were translated into a television marathon, as it doubtless will be. If the reader is prepared to suspend any possible belief he might have that *The Clowns of God* is great literature, he or she should enjoy it. The non-theological side of the novel is very well handled indeed, and the author assembles together a fine gallery of rogues.

Bernard Cornwell's *Sharpe's Eagle* is the first in a projected series; its two successors have already been completed. It seems likely that Richard Sharpe, Lieutenant in the British Light Infantry awaiting the onslaught of Napoleon's never-defeated army in Spain in the summer of 1809, will in time become as popular as Hornblower. Nor is this due just to hype, which works well enough for one book, but won't do for a series (you can't fool all the people all the time).

Bernard Cornwell has not set out to write great historical literature, but to create a character who is credible enough to go through many adventures. *Sharpe's Eagle* has for background the Talavera Campaign of 1809, and the author knows more than he needs to about this action—for his behaviour in which Wellington was made Viscount. He has invented certain incidents, but tells us exactly which in a well-judged note at the end of the book.

Sharpe himself, and his Irish sergeant, Patrick Harper, are excellent creations. To my taste, Sharpe is much more interesting than Flashman, who was superb at the beginning but has now become boring.

Midnight's Children is by a 33-year-old Indian now living in London. He has written one previous novel, *Grimus*, which I believe attracted little attention.

The hero, Saleem Sinai, was born at midnight: the midnight of India's independence. His creator, in a very unusual novel, makes Saleem a child so gifted that he can "leap into the heads" of various famous people, including that of Nehru. This is knocked out of him; but now he develops a nose—for tyranny, hypocrisy, and other falsities.

Salman Rushdie has written a huge and resourceful book: this wild narrative of his gifted child, then man, encompasses most of the history of India since its independence, and includes pithy and irreverent comment on its developments.

The methods employed in this massive extravaganza, certainly unlike anything else I have ever read, owe much more to Latin American than to Indian models; but, whatever the faults, however tedious the *longueurs*, the reader gains a sense of India from this novel that he will not have gained before. It is, of course, the view of a young man; but it is no less important for that.

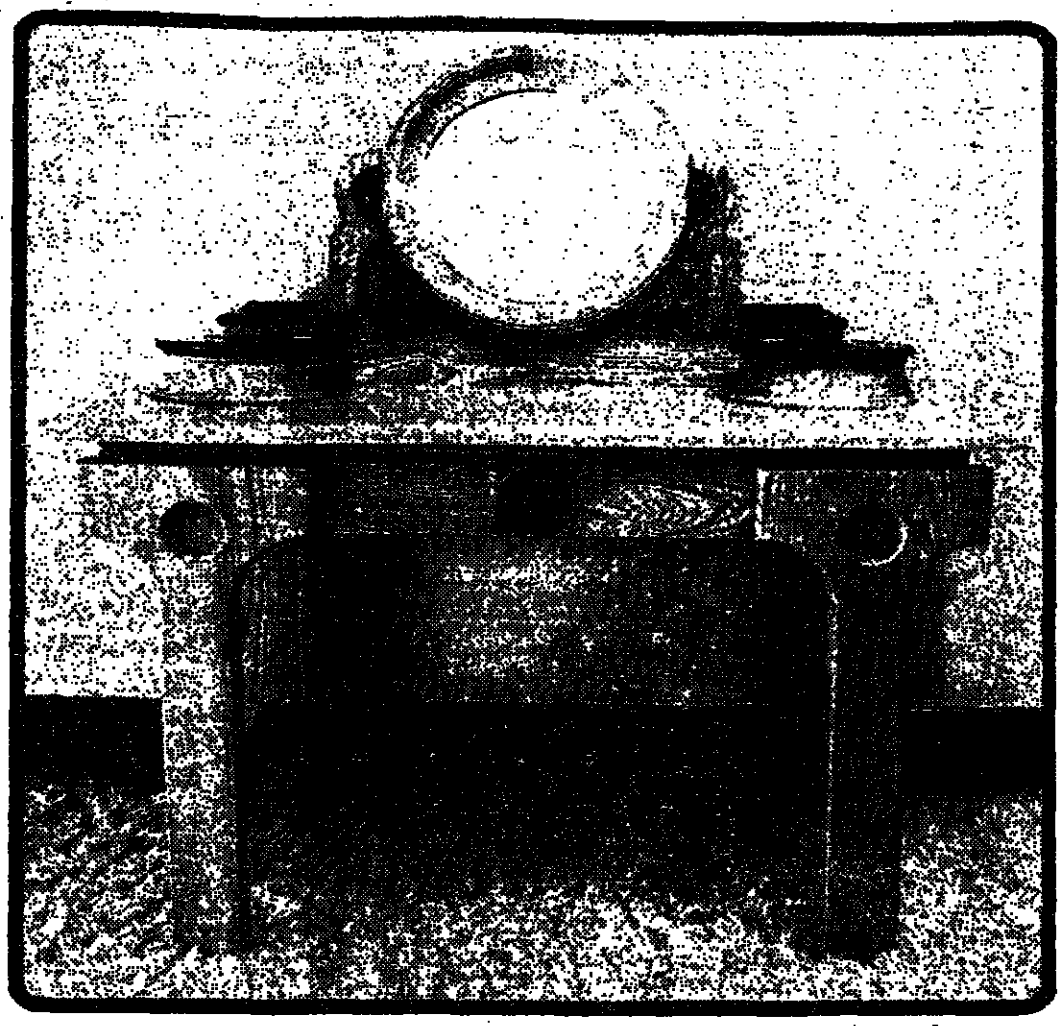
This is a book that runs the risk of being ignored: it is very long, and it is not at first easy to read. But it deserves recognition. Far from being long-winded (except in a few passages), it is in general concise, imaginative and very highly intelligent. It has something to tell the British reader about India that he will not be able to obtain from anywhere else: a record of how a diverse culture has broken up (or is breaking up), and yet of how, in a certain sense, it has endured.

Wilbur Smith's latest adventure story, *Men of Men*, is set in Victorian South Africa. It is, as are most of his other novels, a splendid read. It could not have happened, but while you are reading you cannot see why it should not.

HOW TO SPEND IT

by Lucia van der Post

Johnny Grey touches wood



JOHNNY GREY has become what, for want of a better cliche, might be called the *enfant terrible* of the design world. He first began to make his attitudes known when he attacked what he calls the "systems approach" to the kitchen. He felt that the advantages this offered were almost all in favour of the *manufacturer (who could* sell more cheaply and more easily this way) and offered very little to the consumer. He felt that kitchens should be the warm centre of the home—this is what all the research has told us people want and yet the arid and logical offerings of the major manufacturers seemed by and large to take no account of this longing. They seemed to suffer to a large extent from what he calls "reductionism" —that is the reduction of furniture to a set of logical solutions to problems and the assumption that anything over and beyond that is superfluous and to be despised.

Johnny Grey, therefore, set about offering people an alternative kitchen, one that glories in skilled craftmanship (he believes that the modern design movement has destroyed the craft language and in so doing is not only dealing the death blow to many craft traditions but is also depriving many people of something they deeply crave), fine detailing, individuality and a certain quirkiness.

He achieves this by offering a kitchen designed individually around the idiosyncracies of the space available and the wishes of the client. In addition he also produces a number of standard pieces of kitchen furniture (like a corner cabinet, a wooden plate rack, a court cupboard, a chopping block) which experience has shown him to be of lasting value. He combines the pieces of furniture with specially designed one-off items to produce a warm, relaxed totally *individual kitchen.*

Johnny Grey has expanded from kitchens into a range of limited edition furniture and *today at Heal's, 196 Tottenham* Court Road, London W1 there opens an exhibition of his latest ideas. Johnny Grey takes as his starting point a remark of Durer's that "the test of a good artist is to be inwardly full of images." He believes that the same test is true of the good *furniture designer. He wants* to restore a delight in ornamentation, in detailing, in visual richness to the world of furniture.

The bedroom furniture currently at Heal's (in the Sleep Shop) is the perfect embodiment of his philosophy.

In the four-poster bed, the half-tester bed, the double bed, dressing-table and chest of drawers can be seen many of *the things Johnny Grey stands* for. There is a great deal of visual reference material (for instance, the four-poster bed's roof has echoes of the East) and the shapes have not been reduced to simple manufacturing formulas — they require skilled technicians and crafts*people.*

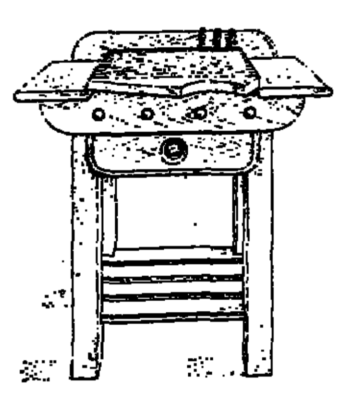
Most people will react to it very personally. For myself I find I like most of it very much, though some of the pieces are a trifle fanciful for my taste. But at the very least I welcome it as a richer, more decorative alternative to the rather arid offerings that most other manufacturers have on sale. His is a point of view well worth attention. It seems almost incredible to me that all his designs have been rejected for inclusion in the Design Council's Design Index.

Anybody interested in Johnny Grey's approach should go along to Heal's some time in the next three weeks while the exhibition of his furniture is on or write to Johnny Grey Designs at 9 Abingdon Road, London W8 for details of his design services and the one-off pieces of furniture.

Readers are asked, however, to note that Johnny Grey's address is not a shop but a design studio and that almost *anything can be made to order* but large stocks are not kept.

This bookcase/display unit is made from black-lacquered ash and red nylon coated steel wire is used in the glass panes. Available from Liberty of Regent Street, London W1 it is about £660. Photographed top is a dressing-table, 2 ft deep by 4 ft 1 in wide, designed in solid ash by Johnny Grey, made by Isherwoods of Redditch, and costing £685 from Heal's.

Below is one of the pieces of furniture that Johnny Grey has evolved for use in the kitchen. The chopping block itself is made of end grain hardwood while the frame and drawers are of ash. There is a knife-rack at the back and the front drawer holds other kitchen utensils. Though small and undoubtedly functional this chopping block embodies some of the authentic Johnny Grey philosophy—note the



rounded *drawer, the* visual appeal of the knob which is far from simply utilitarian.

Also in the range of designs for the kitchen is a set of cane drawers (ideal for storing cutlery); a simple sink cabinet (which houses a lovely solid square sink and has the same round-sided drawers that he uses elsewhere); a cane-backed and seated sofa; a rectangular table, again with fine detailing and visual appeal; a court cupboard; a herb cupboard with a decorative rail round the top; and a wall storage dresser.

An illustrated leaflet with fine line drawings, all measurements and other relevant information is available *from Johnny* Grey. Prices are not low as good woods are used and much skill goes into the making. The chopping block is £276.

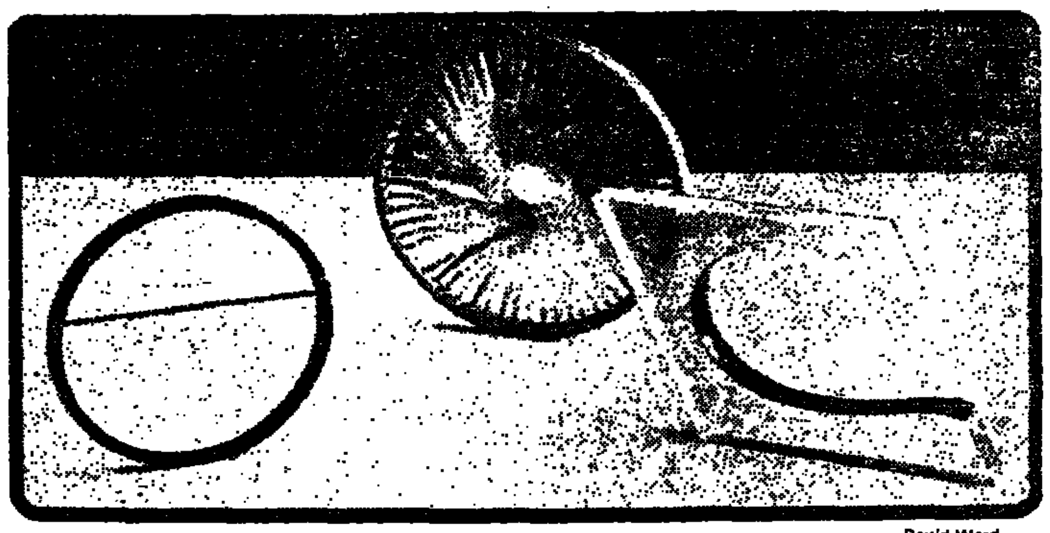
Witty conceits

ONCE upon a time buying jewellery was a relatively simple matter. After all it only had one main function—to indicate to the world that its wearer was a person of wealth and status, and if in so doing it also drew attention to the amplitude of milady's bosom or enhanced the sparkle in her eye, well and good.

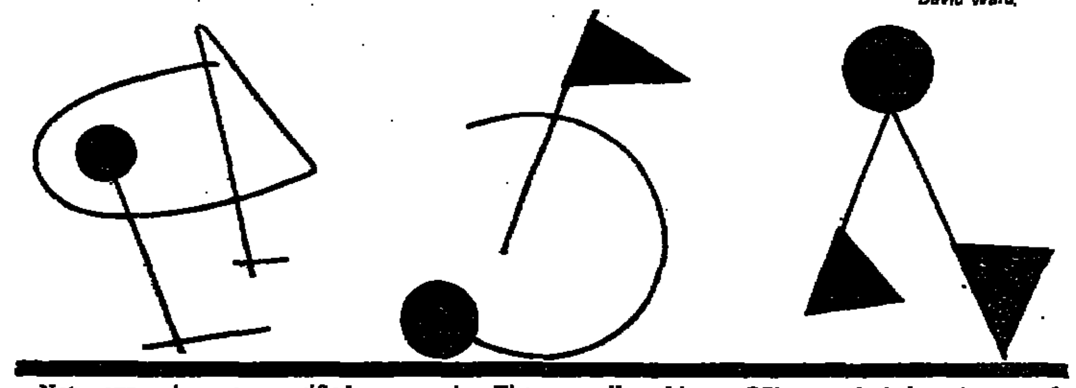
Nowadays, however, jewellery has become a much more complicated business, sending out infinitely complex signals. There are still the few who buy great big rocks to proclaim their wealth, but jewellery is now often a very in-joke, a piece of pop-art, a fashion accessory, a fine piece of craftsmanship, a piece of pure decoration.

This seems to me to make the whole business of jewellery a great deal more fascinating than it ever was before—instead of just reflecting your status and wealth, now it *reflects personality and life*style, visual awareness and how *au fait* one is with the current street fashion.

Anybody interested in the direction that some modern jewellery designers are going in should hasten along to an event called the 2 Day Shop being held on Friday, May 1, and Saturday, May 2 at 5 Dryden Street, London, WC2 from 11 am to 7 pm. There, for just those two days, they will be able to see *and buy the work of a group of* designers (of whom the best-known are probably Susanna Heron and Caroline Broadhead) that is not normally available through ordinary retail outlets in Britain.



David Ward.

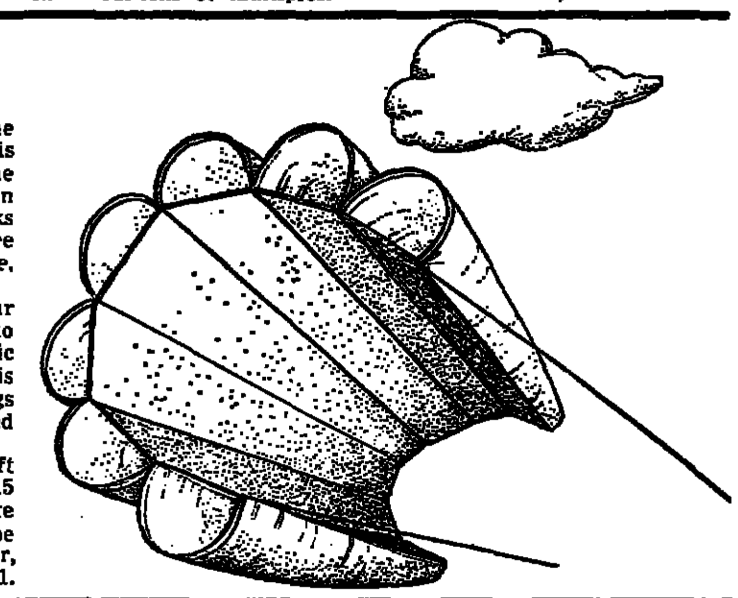


Not expensive or rarified enough for the craft galleries, nor sufficiently in the mainstream of fashion to sell through the accessory shops, the six designers whose work is represented there have had to resort to organising their own *sales in this way. Ironically, all* of them exhibit and sell their work regularly through the Galeria Ra in Amsterdam.

Though the six main exhibitors don't have a group style, they do have a common approach. They are all seeking ways of making their work accessible to those who have the taste to recognise what they are about. This they do by working in non-precious materials (acrylic, resin, nylon, *wood, textiles, anodised* aluminium and so on), by simplifying the manufacturing processes (thus cutting down the cost of the time element) and by producing designs in small editions or multiples.

●Photographed above is some of the work that will be on sale. The top photograph shows three armpieces. Left, by Eric Spiller, blue anodised aluminium with green rubber band, £20; centre, natural wood with part-coloured nylon tufts by Caroline Broad*head,* £50; *right, misty-clear* acrylic with inner edge painted light green and black by Susanna Heron, £50. Below, three brooches by Ros *Perry*—all made from black-chromed stainless steel and nickel, £15 each.

Up, up and away



I HAVE searing memories of taking our small children onto heaths and grassland all over the country to try their (our) hand at kite-flying and am left with an overall impression of *having seldom ever got any*thing afloat for longer than a few minutes at a time. I daresay we didn't read the right books, buy the right kite or even choose the right day.

However, it must be a feasible hobby as the hills and commons of London are always filled with *enthusiasts looking as cosy as* a Persil ad, all of whom seem to be having no trouble at all.

Those who haven't found it so easy and want to start with one of the simplest kites to get aloft might like to try the Ferrari Ram Kite. It is designed to take off with the minimum of wind, is made in lightweight nylon, has no sticks or stiffening and comes in three *principal colourways—purple,* red or yellow.

The Ram has seven tubular cells all stitched together to form a spectacular futuristic shape. The body of the kite is attached to two bridle strings and no adjustment is needed for different wind speeds.

There are three sizes, 4 sq ft at £10, 7.3 sq ft at £19 and 10.5 sq ft at £29. All come complete with 300 ft line and can be bought by mail from Zether, 151-7 City Road, London, EC1.

ARTS

Stage and air

BY B. A. YOUNG

Radio Theatre 81 is said to be having problems over the degree of permissiveness to be allowed in the scripts. The fact is that the stage has become far more liberal than the radio. Theme and language can go beyond drawing-room standards for audiences of a few hundreds who go to plays because they know about them and are ready to pay a fiver or more to see them. Audiences numbering hundreds of thousands, some of them probably listening only because somebody else wants to, need different treatment.

This week's contribution to *Radio Theatre 81*, Paul Hyland's *Dancing Ledge* (Radio 3 on Thursday, and on tour with the Orchard Theatre Company) could offend no one but a committed Tory. It deals with a young Dorset labourer who takes against the lords of the manor because they evicted his father, a tenant farmer, when a tractor accident made him a cripple. He becomes a 20th-century Captain Swing (a character we met lately at the Warehouse) and goes in for rustic Luddism. Because he was a worker in Purbeck marble until he was made redundant, he takes his Swinging revenge on society by blasting the marble tombstones of the manor people with his shotgun, and shooting one of their lambs for the kitchen.

Is this all, you ask? Well, Mr. Hyland has given his Geoff a girl, Maggs, but their spoilt marriage plans have little to do with the main plot. They go to Dancing Ledge, on the cliffs where marble is quarried, and their banns are called in the parish church, with a verse or two of a psalm afterwards. But even before Geoff is shopped by the vicar for his activities, Maggs has decided to go away and get some secondary education.

I'd have given anything for a touch of offence. The characters are so bland, their Dorset dialogue so uninteresting. Two moments masquerade as climaxes: one, where Maggs is scared at Geoff's antics on Dancing Ledge, the other where Geoff's bloodsoaked sack proves to contain the poached lamb. The final payoff, with a police car giving enough audible warning to scare Geoff away with ease in spite of the opposition of the muscular-Christian vicar, is too tame. Perhaps on the stage this scene, with the vicar's gradual ascendancy over Geoff and his shotgun has more to offer. It offered me little. Indeed, Shaun MacLoughlin's production seemed unevocative throughout, though Steve Hodson as Geoff, and Mary Wimbush and Donald McBride as his mum and dad did well enough with what they had. Penelope Lee as the county lady was just a parody, but this was the author's doing.

Radio Theatre 81 is an estimable project, which I hoped was meant to lure new writers from the theatre into writing comparable work for radio. It will be a pity if radio's standards prove too restrictive for them. I shall come back to the subject again next week.

As if to prove that initial rejection doesn't always imply a lack of merit, Radio 3 also gave us, on Tuesday, L. W. Bailey's programme *The Two First Nights of The Seagull*. It started dramatically with a backstage view of the end of Act One: Doctor Dorn concluded his speech to the weeping Masha, and there was dead silence in front. What would happen next?

What happened was that we were whisked back to the play's first production, for what we had been listening to was the 1898 production at the Moscow Art Theatre (miscalled the Moscow Arts Theatre throughout). The original 1896 St. Petersburg premiere was greeted with boos and catcalls, and Chekhov determined never to write a play again. We heard that: we heard stories of the play's origins and the circumstances of its writing: we heard specimens of the ultra-dramatic acting that made Chekhov's lines sound ridiculous. Nemirovich-Danchenko and Stanislavsky persuaded the dispirited author to allow another production at the Moscow Art Theatre. The end of the first act arrived. Doctor Dorn asked: "What can I do?" the curtain was drawn, that silence fell again. What would happen next? What happened was history. This was a smashing programme, and I hope it has persuaded lots of people to mark next week's *Seagull* on Radio 4 in their diaries.

Meanwhile on Radio 1, Luke Skywalker, Princess Leia, See Threepio and the rest have been pursuing their rebellion against the Empire in *Star Wars*. I loved it, but my secret agents from Radio 1 were cool. It needs the kind of attention they're not used to giving.

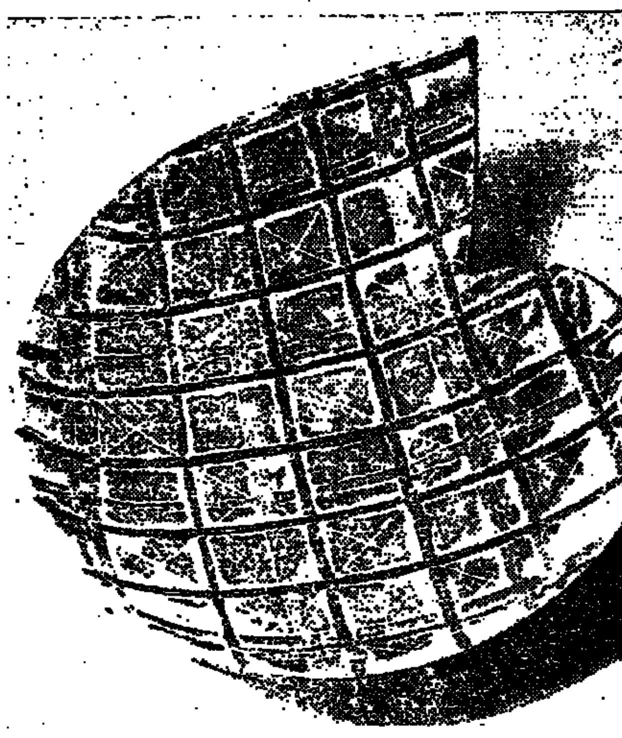
New ceramics

BY WILLIAM PACKER

There is at the moment, and by no means unusually, a good deal of admirable sculpture to be seen in London. The Giacometti exhibition, which I saw in Bristol, has arrived at the Serpentine, where it could hardly be shown more beautifully; Alexander Calder has lately graced Cork Street (Waddington and Mayor) most engagingly; and the natives are showing up well with Ken Draper just opened at the Warwick Arts Trust, and, most notable of all, Phillip King at the Hayward—of which more at some length another time. But in all this welter of important and ambitious work, some of the most remarkable things are not soi-disant sculpture at all, but ceramic objects, and thus too easily overlooked physically, or perhaps thoughtlessly categorised and so dismissed.

But the fault, such as it is, is not entirely on the part of the prejudiced. Just as there are few sculptors who would deny that a T'ang pot is a work of art, so there are many working in the crafts who have dug their own tight and defensive categories, prettily embellished with special pleas and limitations. A work of art is a work of art, whatever its particular medium or character, and must take its chance by the highest standards.

But by degrees the point is getting across, and one of the principal objects of the Crafts Council is, I suppose, to insist upon it, and so to reinforce the confidence of the craftsman in his art. The policy of its small gallery (soon to be much extended) in Waterloo Place, just across Pall Mall from the Athaneum, has evidently been to celebrate current activity in the various fields by showing examples of the finest contemporary British work available, a policy which has proved itself quite as surprising as it is pleasing, a positive education.



Jacqui Poncelet bowl, 1981

The latest show (until May 16) is of new ceramics by Jacqui Poncelet. The work is conventional only in that each piece is manifestly a container; but that expected quality once confirmed, is immediately all but confounded. These shallow dishes, scoop or shoe or boat shape as may be, wedged or propped at some delicately eccentric angle, could hardly be of much use. Instead they explore and expound particular ideas that are the natural province of sculpture: balance, structure, surface, material nature. They lurch over to the point at which they find and thus declare their own true stability—and I must say I longed to put water in them, if only for a moment, to make the demonstration.

As for the treatment of the surface, decoration is perhaps the wrong word, though it is exquisitely and delightfully done: for the marks on and in the clay, strips inlaid, overlaid, gouged out, are all very much apropos, clarifying the form, pointing the shifts and turns of plane and level, showing us just where each piece is put together.

These are beautiful and fascinating things, true art and worthy of the finest collections: and who knows but they might persuade the uncommitted or the sceptic that there is something to abstraction after all.

Next year a major new arts centre opens in the City. Antony Thorncroft reports how

Mammon marries the Arts

Next week the concert hall at the Barbican Centre, the newest and one of the most acoustically perfect in London will resound with its first promotion—the annual general meeting of BP. This might seem an off-key start for a hall which is to be the home of the London Symphony Orchestra but then the whole purpose of the Barbican Centre is to combine the Arts with Mammon to the benefit of both.

The financial background tells all. The Centre was conceived over two decades ago, was planned to open in —— at a cost of £19m, and will finally be given a royal send off next March when the eventual cost will be around £120m. The City of London feels it has done enough for the arts in shouldering the spiralling bills. The idea is that when the Centre opens its suitability as a conference centre and for exhibitions should raise enough income to support the artistic ventures. The Centre will cost £5m to run each year and no net income is anticipated from the arts. Within four to five years it should be breaking even.

Although commercial events will start to appear with increasing frequency—a TV and stage lighting exhibition in July; City of London and EEC conferences in the autumn, followed by Inscape, a major get together of the office design and equipment suppliers in November—the Centre will not really make a significant impact on the public consciousness until next spring when the arts activities get underway. Unlike the National Theatre, which decided to open with one auditorium while the other two were being completed, the Barbican intends to get off the ground at full throttle, with the LSO in residence in the concert hall and the Royal Shakespeare Company on permanent display in the theatre.

There is the slightest of doubts about the RSC, which has yet to sign on the line—there are problems over rates and service fees—but it is almost certain that it will relinquish the Aldwych while retaining its interest in the Warehouse. Anyway the current plan is a grand double opening next March, with full details announced in October.

The LSO is committed to three annual four-week seasons for three years in the 2,000-seat concert hall. Although underwritten financially by the Arts Council, to the tune of £160,000 a year, and the City, it hopes to attract audiences in excess of 70 per cent capacity, that is at about its South Bank level. The LSO will still perform on the South Bank but only 25 or so times a year, a drop of around 10 concerts on its recent performance. To sell the new venue a number of innovations will be tried, in particular subscription sales (buying tickets for 12 Monday concerts, for example, and saving 20 per cent or so). The LSO hopes that City companies will subscribe to tickets at discounts and then pass them on to their staff—a form of economical sponsorship.

Moving into the Barbican not only gives the LSO guaranteed work for three months of the year; it also enables the orchestra to be more experimental in its repertoire, thanks to the subscription scheme. There will be seasons devoted to contemporary music, to particular composers, some nights will be taken over by ensembles within the main orchestra, there will be concerts for schools. There will also be an earlier starting time, especially on Mondays and Tuesdays, in order to tempt City office workers. The LSO expects to keep all its industrial sponsors: currently 25 of its South Bank concerts are sponsored and after the move to the Barbican it will still be performing 25 times a year on the South Bank. But since for all its Barbican concerts it is joint promoter, taking a slice of box office receipts, the LSO must make a go of the venture commercially.

Another opportunity in the switch to the City is joint productions with the RSC. The LSO would hope to work with the theatrical company frequently during the year — in the past they co-operated on the Stoppard - Previn *Every good boy deserves favours*: such obvious candidates as *Façade* come to mind. But while the LSO will mainly concentrate on its three seasons, plus the occasional concert at other times, the RSC will play six nights a week in the Barbican. It is obviously much more of a gamble for the company, but the attraction of a new 1,666-seat theatre with an enormous fly-tower 109 feet high to facilitate the storing of sets, won over doubts about the ability of this previously dead part of London to draw in the near-capacity audiences the RSC is used to at the Aldwych. In addition, there is a 200-seat studio, called The Pit. It is planned to stagger the timing of the concert hall and the theatre so that the audiences, arriving through the same foyers, will not be too crowded.

There is also a small cinema in the basement, showing first run features and retrospectives; an art gallery, which will also open next March with a show of French modern art; the City will move its main library there; and a cvonservatory on the roof is already taking bookings for Christmas functions. The Barbican Centre undoubtedly has access problems — it is built very much like a barbican, looking in on itself, but once you have penetrated the bleak approaches the modern facilities win over doubts. To attract audiences a major advertising and PR campaign is planned with particular attention being paid to people living to the north and east of London who will find it closer than the West End and the South Bank. But however good the arts programmes the Barbican Centre will rely for its survival on its success as a conference and exhibition centre. One good omen is that it has been picked to house the World Petroleum Congress in 1983. This get together attracts 5,000 delegates and is one of the most important dates in the conference and exhibition diary.

Concert in Jerusalem

BY ARTHUR JACOBS

Israel is the only Middle Eastern member of the European Broadcasting Union, and as such participates in the well-established series of concerts transmitted by all or most of the constituent broadcasting organisations. BBC listeners will hear the concert to be given on May 4 by the Jerusalem Symphony Orchestra under its regular conductor, Gary Bertini, which will include a new two-piano concerto by the Israeli composer Joseph Tal.

The same orchestra, ranked as second to the famous Israel Philharmonic, gave a recent EBU concert which was not taken by the BBC but had more than a little interest for the visitor to the city.

Presumably it was some faceless committee of international music administrators, balancing various diplomatic pressures and prejudices, which devised such a peculiar programme: a new symphony by the Canadian composer Pierre Hétu, followed by Nielsen's Clarinet Concerto and Glazunov's Fifth Symphony. Certainly the selection had nothing to do with the conductor, Michael Schönwandt—I have his personal word for that. He is a 27-year-old Dane who trained at the Royal Academy of Music in London and who was "imported" to Israel for this concert; the solo clarinettist was a Belgian, Walter Boeykens. This was one of a group of concerts which the EBU entitles "Let us know the names"; a laudable aim, but a strangely conceived process.

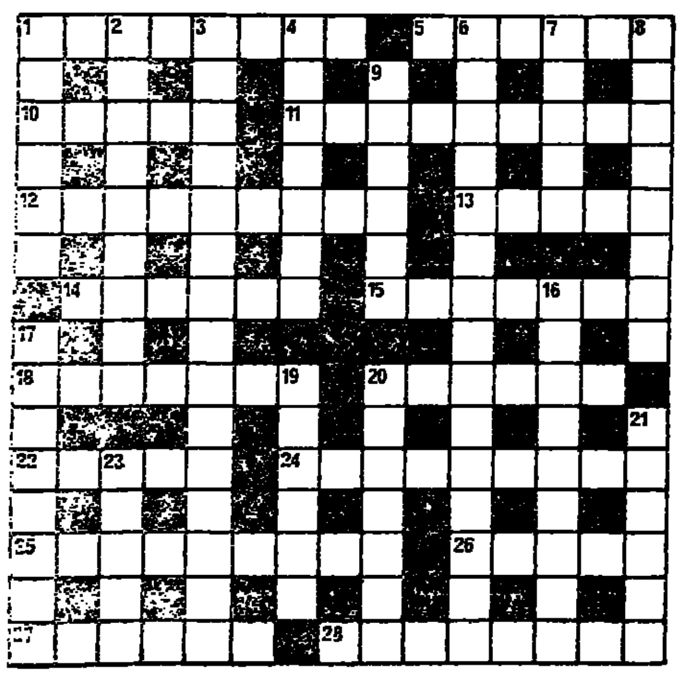
Contrary to any suppositions that "Jewish" string-playing was bound to be good, the orchestra displayed a string section which lacked unanimity and decision and gave way to an ill-nourished, scrawny tone in the higher register of the violins. The wind and percussion players (among whom some non-Israeli names were to be noted) are superior.

F.T. CROSSWORD PUZZLE No. 4,553

A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....



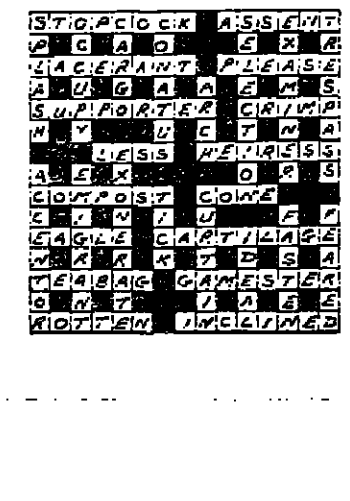
ACROSS

1 "C" Brigade deployed to hold back the air force (8)
5 Yield matured—how might it occur in conversation? (4-2)
10 Great fear lets time slip, slip (5)
11 Inferior spirit of Beethoven sonata (9)
12 One of the slings of O.F? Ay, there's the rub, etc.—outrageous (9)
13 Fish making bad smell after Sunday (5)
14 Fruit round the mountains (6)
15 Hot-rod driver? (7)
18 Conducts oneself well in functions (7)
20 Charge of certain dictionaries (6)
22 Surrounded by mango extract (5)
24 Anne Bronte alternative instruction to firemen? (5, 4)
25 Twine been knotted for intermediary (2-7)
26 Work without effort to produce Sower of India (5)
27 Wring once wrong (6)
28 Having Irises with very little colour (4-4)

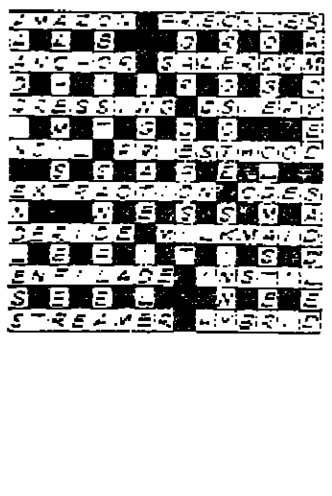
DOWN

1 Inspiration of Bertha's metamorphosis (6)
2 This element is thin on the ground (4-5)
3 Latin-derived name for Chichester (15)
4 Sleuth has to stick twisted hose (7)
6 What makes blood thicker than water? (5, 7)
7 Promissory note about silver article—that's unchristian (5)
8 Piece of vase—possibly drops the whole thing (8)
9 A journalistic nobody (6)
16 Strange duty about cake when it's pre-settlement time (6-3)
17 This case is for removal (8)
19 Spring revolutionary treated mercifully (6)
20 Monotonous chap from Bury, subject to going in-side (7)
21 Home counties in cold spell—not open to traffic (6)
23 Gold boring-tool makes a hole in the head (5)

Solution to Puzzle No. 4,552



SOLUTION AND WINNERS OF PUZZLE NO. 4,548



Mrs. J. W. Aggleton, 1, Kings Road, Richmond, Surrey TW10 6NX.

Miss W. M. Kemp, 36, Orton Road, Leicester LE4 2AS.

Miss Lucy Norgate, 10 Brant Avenue, Halifax HX2 8DL.

TV/Radio

† Indicates programme in black and white

BBC 1

8.05-8.30 am Open University (ultra high frequency only) 9.10 Rockface. 9.35 Lassie. 9.55 Help! It's the Hair Bear Bunch. †10.15 Charlie Chaplin in "In the Park" and "By the Sea." †10.45 Mother-in-Law's Day. †11.05 "The Great Lover," starring Bob Hope and Rhonda Fleming. 12.27 pm Weather.

12.30 Grandstand: Football Focus (12.35); Tennis (1.00, 1.25, 2.35) Three Fives Hard Court Championships of Great Britain; Racing from Leicester (1.20, 1.50, 2.20); Swimming (2.05, 4.30) The Sun Life Assurance Three Nations International — Great Britain v Holland v West Germany; Rugby Union (2.50) Wales v WRU President's XV; 4.40 Final Score.

5.10 The Hardy Boys and Nancy Drew Mysteries.
6.00 News.
6.10 Sport Regional News.
6.15 You Must Be Joking!
6.50 Saturday Premiere: "The Islander."
8.25 The Val Doonican Music Show
9.10 Dallas
10.00 News and Sport
10.15 Saturday Night at The Mill
11.15 "Kiss of the Vampire" starring Clifford Evans

All Regions as BBC1 except as follows:

Cymru/Wales — 6.10-6.15 pm Sports News Wales.

Scotland — 4.55-5.10 pm Scoreboard (1). 6.10-6.15 Scoreboard (2). 12.30 am News and Weather for Scotland.

Northern Ireland—5.00-5.10 pm Scoreboard. 6.10-6.15 Northern Ireland News. 12.30 am News and Weather for Northern Ireland.

England — 6.10-6.15 pm (South West only) Saturday Spotlight.

BBC 2

7.40 am - 1.55 pm Open University.
3.15 Saturday Cinema (1): "The Cavalry," starring Randolph Scott.
4.30 Tennis: The Three Fives Hard Court Championships of Great Britain
5.40 Saturday Cinema (2): "Comanche Station," starring Randolph Scott.
6.50 Tennis highlights.
7.20 News and Sport.
7.35 Rugby Special.

8.25 Living with the Neighbours.
9.15 "Carmen," starring Zizi Jeanmaire and Mikhail Baryshnikov with artists of The National Ballet of Marseilles.
10.00 "Lacombe Lucien" (A French film with English sub-titles).
12.15 am The Old Grey Whistle Test.

LONDON

8.45 am Sesame Street. 9.45 Joe 90. 10.10 Survival. 10.25 Anna and the King. 11.00 Thunderbirds. 12.00 Mork and Mindy.

12.30 pm World of Sport: 12.35 On the Ball; 1.00 International Sports Special (Part 1) Rallying—The Circuit of Ireland; 1.15 News; 1.20 The ITV Six from Sandown and Newcastle; 3.10 International Sports Special (Part 2) — Darts — The News of the World Championship; 3.50 Half-Time Soccer Round-up; 4.00 Wrestling; 4.50 Results Service

5.05 Mork Mickey
5.35 News
5.40 [illegible]
6.05 Family Fortunes
7.05 Only When I Laugh
7.35 The Cannon and Ball Show
8.05 "Bless This House" starring Sidney James and Diana Coupland.
9.45 News
10.00 The Big Match
11.00 World Cup Show Jumping (The Birmingham International Show Jumping Championships).
12.00 The Electric Theatre Show.
12.30 am Close: Personal Choice with Leonard Parkin.

All IBA Regions as London except at the following times:

ANGLIA

9.45 am [illegible] 10.05 [illegible] 10.25 [illegible] 10.50 [illegible] 5.40 pm Buck Rogers [illegible] 8.05 [illegible] 10.00 [illegible] 12.00 [illegible] 12.30 am [illegible]

ATV

9.10 am [illegible] 9.35 [illegible] 10.30 [illegible] 5.40 pm [illegible] 8.05 [illegible] 10.00 [illegible]

GRANADA

9.15 am Manscape. 9.40 Numbers at Work. 10.05 Survival. 10.30 Mystery Island. 10.40 "The Doberman Gang." 5.40 pm Buck Rogers in the 25th Century. 8.05 Saturday Night at the Movies: "Embassy," starring Richard Roundtree 10.00 Match Night. Top match action with a strong regional flavour. 12.00 The Late Film: "Dr Blood's Coffin," starring Kieron Moore.

HTV

9.15 am Numbers at Work. 9.40 Manscape. 10.05 The Extraordinary People Show. 10.35 "Wilma," starring Cicely Tyson. 12.28 pm HTV News. 5.39 HTV News. 5.40 Buck Rogers in the 25th Century. 10.58 HTV Sports Headlines.

HTV Cymru/Wales—As HTV West except: 10.05-10.35 am The Book Tower. 5.05-5.35 pm Sion a Sian.

SCOTTISH

9.10 am Co-operate! 9.35 Numbers at Work. 10.00 The New Fred and Barney Show. 10.25 The Extraordinary People Show. 10.50 The Enchanted House. 11.05 240 Robert. 12.00 Clapperboard. 5.40 pm Buck Rogers in the 25th Century. 8.05 Feature Film: "Embassy," starring Broderick Crawford and Max Von Sydow. 10.00 Scotsport. 12.00 Late Call.

SOUTHERN

9.50 am [illegible] 9.05 Sesame Street. 10.00 Clapperboard. 10.30 Mork and Mindy. 10.55 The Lone Ranger and the Lost City of Gold. 12.27 pm Regional Weather Forecast. 5.40 Buck Rogers in the 25th Century. 8.05 "The Initiation of Sarah," starring Kay Lenz. 12.00 Southern News.

TYNE TEES

9.00 am Clapper Squad. 9.50 Butch Cassidy. 10.15 Cartoon Time. 10.25 The Extraordinary People Show. 10.50 Cartoon Time. 11.00 Saturday Morning Movie: "The Golden Age of Comedy." 5.40 pm North East News. 5.42 Buck Rogers in the 25th Century. 8.05 "Marlowe," starring James Garner. 10.00 Shoot! 12.00 Next Stop Beyond. 12.30 am Three's Company.

YORKSHIRE

9.00 am Co-operate. 9.25 Spiderman. 9.40 [illegible] 10.25 The Extraordinary People Show. 10.50 The Saturday Morning Picture Show: "The Daring Dobermans." 5.40 pm Buck Rogers in the 25th Century. 8.05 "The Initiation of Sarah," starring Kay Lenz and Shelley Winters. 12.00 Superstar Profile.

RADIO 1

(S) Stereophonic broadcast
‡ Medium Wave

5.00 am As Radio 2. 7.00 Playground. 8.00 Tony Blackburn with Junior Choice. 10.00 Steve Wright. 12.00 Star Wars. 1.00 pm 25 Years of Rock (S). 2.00 A King in New York (S). 2.05 Paul Gambaccini (S). 4.00 Walters' Weekly (S). 5.00 Rock On with Tommy Vance (S). 6.30-7.30 In Concert (S).

RADIO 2

5.00 am Tom Edwards (S). 8.05 David Jacobs presents Star Sounds (S). 10.00 Pete Murray's Saturday Show (S). 12.00 The Music of [illegible] Robert Farnon (S). 1.00 pm The News Huddlines. 1.30 Sport on 2: Racing Special from Sandown Park: 2.15 [illegible] Classic Trial. 2.55 [illegible] Gold Cup and 3.35 [illegible]; Rugby Union (1.30, [illegible] 3.25, 4.50, 5.00, 5.50); League Football (1.00, 2.00, 2.40, 3.00, 3.20, 3.45, 3.55, 4.42, 5.00, 5.45); Swimming (1.30, 2.05, 3.35, 4.15, 4.50, 5.00) The Sun Life Three-Nations Cup; 5.00 Sports Report including 5.25 Rugby Round-up, Swimming, Motor Sport and 5.45 Classified Football Results, Classified Racing Results. 6.00 Pop Over Europe. 7.00 Three in a Row. 7.30 [illegible] Special (S). 8.00 Saturday Night is Gala Night (S) including 8.55-9.15 A Musical Magic-Carpet Ride to [illegible]. 10.00 Hilversum Greets Radio 2 (S). 11.10 Peter Marshall with The Late Show (S) including 12.00 News. 2.00-5.00 am You and the Night and the Music (S).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 [illegible] (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.15 [illegible] (S). 11.45 Diversions (S). 1.00 pm News. 1.05 Music for Tenor and Violin (S). 2.00 Play It Again (S). 5.00 Jazz Record Requests with Peter Clayton (S). 5.45 Critic's Forum. 6.35 Andre Marchal organ recital (S). 7.00 "A Life for the Tsar," opera in four acts and an epilogue, by Glinka: Acts 1 and 2. 8.15 The Delights of Music (readings from the music criticism of Neville Cardus). 8.35 "A Life for the Tsar," Acts 3 and 4; Epilogue. 10.15 The Classical Guitar (S). 11.00 News. 11.05-11.15 Dvorak. 11.45-3.30 am Russian Orthodox Easter Vigil from All Saints' Russian Orthodox Cathedral, Ennismore Gardens, London.

VHF—with Medium Wave except as follows: 5.55-7.55 am Open University. 11.15-11.55 pm Open University, and 11.55-12.55 am Open University (for students in Scotland, Wales and Northern Ireland).

RADIO 4

6.25 am Shipping Forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 6.55 Weather; Programme News. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers. 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather; Programme News. 8.00 News. 8.10 Sport on 4. 8.45 Today's Papers. 8.50 Breakaway, including 9.00 News; Continental Travel Information. 9.50 News Stand. 10.05 Talking Politics. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 Just a Minute (S). 12.55 Weather; Programme News. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Wildlife. 2.30 Thirty-Minute Theatre (S). 3.00 International Assignment. 3.30 Poetry Please! (S). 3.40 Born to Steal: A Study of the workings of the criminal mind. 4.10 Profile. 4.30 Does He Take Sugar? 5.00 People and Places. 5.25 Week Ending. 5.50 Shipping Forecast. 5.55 Weather; Programme News. 6.00 News. 6.15 Desert Island Discs (S). 6.55 Stop the Week with Robert Robinson. 7.35 Baker's Dozen (S). 8.30 Saturday-Night Theatre: "The Chrysalids" by John Wyndham (S). 9.58 Weather. 10.00 News. 10.15 Songs for the Times. 11.00 Lighten Our Darkness. 11.15 It Makes Me Laugh. 11.45 Turntable (S).

TV Ratings w/e April 12

UK TOP TWENTY (viewers m)

1	Coronation St. (Wed.) (Gran.)	16.85
2	Sorry (BBC)	16.80
3	Are You Being Served? (BBC)	15.70
4	This Is Your Life (Thms.)	15.35
5	Coronation St. (Mon.) (Gran.)	15.20
6	Hart To Hart (ITV)	15.10
7	Crossroads (Wed.) (ATV)	13.90
8	Crossroads (Tues.) (ATV)	13.80
9	Rising Damp (YTV)	13.60
10	Family Fortunes (ATV)	13.50
11	The Val Doonican Music Show (BBC)	13.35
12	Lena (BBC)	13.25
13	Top Of The Pops (BBC)	13.10
14	Dallas (BBC)	12.75
15	Nine O'Clock News (Thurs.) (BBC)	12.40
16	Terry And June (BBC)	12.10
17	Main News (Wed.) (BBC)	11.90
18	The Sweeney (Thms.)	11.70
19	West End Tales (ATV)	11.60
19	Ask The Family (BBC)	11.60

Figures prepared by Audits of Great Britain for the Joint Industry Committee for Television Advertising Research (JICTAR).

CHESS SOLUTIONS

Solution to Position No. 368

1 R-R7, Q-B6; 2 B-KB6! Resigns. If QxR ch; 3 K-B2, B-B4; 4 R-R8 ch, B-B1; 5 B-N8 mate. If 2...B-K6 ch; 3 K-B2, Q-K7 ch; 4 K-N3, or if 2...Q-K6 ch; 3 K-N1, and in both cases Black runs out of checks.

Solution to Problem No. 368

1 R-R6 (threat 2 R-Q6 mate). If 1...QxN ch; 2 R-Q6, or if QxR; 2 N-B3, or if Q-B2 ch; 2 NxQ, or if P-B6; 2 Q-R7.

هكذا من الأصل

ARTS/COLLECTING

Coutts Bank, The Strand

Facades—or face saving

BY GILLIAN DARLEY

Every year the assiduous Secretary of the Ancient Monuments Society compiles a list chronicling the fate of listed buildings threatened by application to demolish. Each year the reported outcome is more frequently "retain facade, redevelop behind." Gradually, without most of us being aware of the process, the High Streets, and Market Places of countless towns are becoming little better than Hollywood studio sets, consisting of a series of paltry relics of the original buildings. This, it is argued, is better than we can expect from modern "architecture" and it is at least "in keeping."

There is an obvious irony in the fact that confidence in contemporary design has fallen so low that we must disguise a modern structure behind an apparently historic façade. Most of the permissions for development granted on condition that the frontage is retained are understood by all concerned to be essentially permissions to erect new buildings — sometimes entirely so as when the overstrained remnant collapses entirely and is reconstructed in pastiche.

An additional irony is given to this state of affairs by the fact that in the past exactly the opposite occurred. Countless medieval structures are hidden behind neat Georgian skins of brick or plaster — as recent events in York demonstrated vividly, when an unremarkable frontage revealed a stupendous example of early plasterwork (unnoticed until the building was threatened).

It was *de rigueur* for the late 18th century farmer of substance to mask his rambling Tudor house behind a symmetrical façade — proof of his improved position in society and his familiarity with fashionable architecture. Behind the regular public face of his house, the inferiors were adapted far less radically whilst externally the vast chimney stacks and irregular roof ridges easily gave him away.

As such façades were a nod to fashion, so the modern reversal constitutes a nod, at at most, to conservation. Buildings, as William Morris was most eloquently to observe in the Manifesto of the Society for the Protection of Ancient Buildings, are the sum of their parts—and their age. He referred to "feeble and lifeless forgery," the result of a great deal of "wasted labour" on ill-conceived restoration works. He was sufficiently radical to prefer a new building to one destroyed in such a manner.

In parts of the country where conservation policy is followed rather out of duty than out of conviction, the retention or replication of façades is effectively an escape clause, more and more frequently resorted to in order to keep the *status quo*—and to placate as many parties at one blow as possible.

Buildings should surely be allowed to wear their age with grace—well-worn flagstones or an indented stair-tread tell as much of the history and use of a building as do its glazing bars or fanlight. Face lifts are as unattractive in architecture as in the human physiognomy!

The Chinese Embassy, now a void in the well-modulated extent of Portland Place, will re-emerge a senseless recreation of the building that stood on the spot until a month or two ago. The new Woolworth store in Richmond, Yorkshire, is a package-deal structure, tacked on to the miserable remnant of a fine 18th-century town house. Few buildings lend themselves to this treatment—the exception perhaps some of John Nash's London work, essentially flimsy stage sets from the beginning. The Strand block, now hollowed out for Coutt's bank, had long harboured interlopers behind; before its present incarnation an Edwardian arcade was buried in the middle of the triangular site.

Conservation, if it is to make any sense at all, must involve the whole-hearted use of the buildings we choose to keep; adaptation, yes, but simulation, no.

Just a Verse and Chorus

BY MICHAEL COVENEY

For an outstandingly popular song-writing team, Bob Weston and Bert Lee remain curiously unsung. In some ways, their prodigious output, which includes "I'm 'Enery the Eighth I Am," "Goodbye-ee" and "Knees Up Mother Brown," is as intimately woven into the working class memory as the songs of Rodgers and Hart are reflective of Manhattan mythology.

Weston was a Londoner, Lee a Yorkshireman. Roy Hudd's entertainment, first seen at the Leicester Haymarket 15 months ago and now at the Greenwich Theatre present the material as an end-of-the-pierrot show, opening in a blaze of jollity on Anthony Dean's white wooden set, the cast bouncing around like a crazy gang of Good Companions.

As at Leicester, Robin Midgley's production does not go deeply into what made the pair tick, but with Mr. Hudd himself as Weston and that incomparable trouper Billy Dainty as Lee, I have far less cause to complain than before. This couple could, and frequently do, write about any trivial subject under the sun, from soaring rates to shivering tripe. In their modest way, they are popular historians of the times they lived through, a point well made in a long First World War sequence that is like a distilled version of *Oh What A Lovely War!*

The show also gains from having more room to breathe than in the Leicester studio. Although there is a token attempt to sketch in the history of the working partnership, nothing is allowed to get in the way of the main purpose of anthologising the result. And there is a pleasing variety of songs, many with excellent lyrics, within the music hall genre. Sweeney Todd and Ann Boleyn ("with 'er 'ead tucked underneath 'er arm") are witty point numbers on popular subjects: "You Give Me Ideas" is a smooth Porter-ish effort with a sweeping melodic line that I like a lot more second time round; and the great big saw comes nearer and nearer to Vera in a cleverly staged melodramatic interlude.

Messrs. Hudd and Dainty are splendidly supported by Penelope Nice, Caro Gurney, Roy Macready and Dudley Stevens, and Ian Smith is an expert accompanist at the piano. There is a wealth of social observation in the song about a chap turning up to a funeral in brown (or rather, "brahn" boots and, if the show tells you as little about Weston and Lee as you knew when you went in, at least it serves the admirable function of putting an older generation in touch once more with their memories and therefore their history.

If you live south of the river and feel in that sort of mood, this could serve as an admirable spring tonic. For myself, at least I now know where John Osborne found his title for that strange Greenwich play of a few years back, *The End of Me Old Cigar.*

Janet Marsh browses through autograph albums

The day of the Beatles hunters

WHEN I was an early teenager, relatives still had a nasty way of giving the young autograph albums as presents. I hated them, with their imitation leather covers, their rounded corners and gilt, and the harlequin arrangement of pages of rather harsh, unpleasant tints.

Their fate was always the same. The sporty aunt would write on the first page "By hook or by crook I'll be first in this book." The sneaky cousin would spider-scrawl above it, rather daringly, "By pen or by quill I'll be . . . if you will." Some pitifully unimaginative fool would write on the final page, "By hook or by crook I'll be last, etc"; and that, pretty well, is all it amounted to, unless there were people at the birthday or Christmas party to make their contributions before the book—nine-tenths unused—was mercifully lost.

It would have been different, I suppose, if I had had the nerve or the taste for the game, and hung about stage doors to collect Vera Lynn and Old Mother Riley and Laurence Olivier and Diana Dors. If, a little later, I had had the foresight to get the Beatles, before people bothered, my album would now have acquired a three-figure value, to judge from the recent saleroom boom in Beatles autographs.

Today's autograph collectors, I suppose, are exclusively celebrity hunters. The sociable autograph album, designed for collecting souvenirs of friends and acquaintances, had, however, a history that spanned some four centuries. As the *album amicorum* it originated among students of the fast-growing German universities of the 16th century.

German students of that era were of peripatetic habit, and as they travelled around from Wittenberg to Heidelberg, from Liepzig to Jena, and further afield to Oxford or Paris or Leyden, they kept their books as remembrances of the friends and tutors they had known.

The British Museum has one of the finest collections of albums from these early years: it is the subject of a pleasant little museum monograph by M. A. E. Nickson, which illustrates some of the exquisite contributions, in drawing or calligraphy, in these old *Stammböecher*.

Many of these early albums were made up by interleaving the "Emblem Books" which were in vogue at the period. Often the contributor would choose an appropriate emblem: thus the great astronomer, writing in an early 17th century autograph album, makes his entry opposite a design and verse warning astrologers not to deceive their public. Other albums were specially produced, with elaborate woodcut borders framing blank spaces for autographs. The characteristic oblong format of the autograph album dates from this first period.

Contributions were far from the doggerel scribble of our own childhood albums. Friends might offer beautifully encrossed and scholarly inscriptions from classical or religious sources; or they might provide exquisite miniature paintings. It was the custom, too, to engage professional illuminators to paint one's coat of arms in a friend's album.

Such student albums lingered into the 18th century, though in later days the solemnity tended to give way to gallantry. Young men would solicit contributions from their lady friends, often in the form of miniature embroideries.

English collectors, however, are more likely to find the sort of "social" albums that enjoyed their greatest vogue in the first half of the 19th century, when it was the habit among ladies of the leisured classes to invite their friends to show off literary or artistic talents in finely bound drawing-room albums.

Drawing figured large in the education of upper-class women, and the amateur watercolours we find in such albums often boast a good deal of accomplishment and charm. By the second quarter of the century specially manufactured albums were very specifically designed to receive these gifted contributions. Sumptuously bound in leather or embossed paper, they would alternate fine quality writing paper with pages of artists' board, protected with tissue guards.

Only with the 1920s, however, did the really dedicated, professional-style collector of celebrity autographs come into his own. It was, of course, an age of celebrities — sportsmen, aviators, actors, politicians, writers. Some of the collectors, too, like the incorrigibly loquacious East End book seller and book writer, Fred Bason, were characters too. Rudyard Kipling (who refused him) was, he said, "Snobbish and stand-offish." Harry Lauder (who obliged) was "a noble man." The suspicious Sir James Barrie wrote his signature in pencil at the extreme top edge of the page. "No flies on *him*," wrote Mr. Bason, judicially.

From old Araby

COINS

JAMES MACKAY

IN CLASSICAL times the nomadic tribes of Arabia had little need for coinage of their own, preferring to trust such well established trade coins as the Athenian tetradrachm and the Macedonian and Seleucid drachmae. This practice, of course, continues to this day, hence the enduring popularity of the Maria Theresa taler and the British sovereign for silver and gold transactions. A few Arab political entities, however, were sufficiently settled around the beginning of the Christian era to issue their own coins. The coinage of the Nabateans of Transjordan and the Himyarites of Arabia Felix may be regarded as the forerunners of the prolific Arab series which developed in the 7th century.

In the first century after the Hegira and the rise of militant Islam, the Arabs at first used the coins of those territories they conquered, then modified their designs while retaining sizes, weights, composition and superficial appearance. Thus the gold denarius of Byzantium became the Arab dinar, early examples of which retained the obverse showing three standing figures, but modified the reverse by removing or obliterating the cross at the top of the stepped column. The copper *follis* of Byzantium became the Arab *fals* or *fils*, the portrait of Christ on the obverse giving way to a straight-line Arabic inscription, but the cross on the reverse being modified as on the dinar. For the silver dirhem the Arabs took the Sassanid drachma of Persia. At first the Arab rulers merely substituted their own portraits for those of the vanquished Shah.

In the closing years of the 7th century, however, the Ummayad Caliphate had extended its rule over a vast area, from Spain and Morocco in the west to the frontiers of China and India in the east, and with the growth of a centralising bureaucracy came the need for a single standard coinage. In 696 AD 'Abd al-Malik reformed the currency of his empire. The new gold dinars were 6 per cent lighter, weighing 20 Syro-Arabian carats (a metric unit of considerable convenience). The new dirhem continued the broad, thin flan of its Sassanid predecessor, but was also lighter, 20 dirhems being tariffed to the dinar.

A few dinars were produced at Kairouan in North Africa and Cordoba in Spain and in those cases the mint was actually named; these dinars are scarce and understandably highly prized by numismatists. Kairouan and Cordoba also struck fractional gold coins in some quantity and these, too, rank among the more desirable Arab pieces.

Sotheby's sale of Islamic coins next Wednesday begins with very fine examples of half and third dinars of the North African mint, likely to fetch between £2,000 and £2,500 each. Two dinars of North Africa from the early 8th century are also included and, like the fractions, have inscriptions in a curious mixture of Arabic and Latin, reflecting the transitional nature of Islamic coinage at that time.

The Sotheby sale contains eight lots of Christian coins struck in imitation of Islamic coins, such as the Spanish maravedi with cross and Arabic inscription professing the Christian faith, or the Crusader dinars, relacing the Koranic legend with the Arabic "Struck at Acre in the year —— of the incarnation of the Messiah". The gold maravedi is likely to fetch over £2,000, but the Crusader dinars range from £150 to £700.

RACING

DOMINIC WIGAN

FULKE WALWYN, who believes that he has Diamond Edge back to his best, will be in one of his happier moods shortly after three o'clock this afternoon if his publicly stated confidence in the 10-year-old has proved to be justified.

By that time Diamond Edge will have made his attempt to defy top weight in the Whitbread Gold Cup for which he was backed by Walwyn earlier in the week.

Diamond Edge, whose trainer first landed this event in 1958 through Taxidermist before saddling further winners in Mill House (1967), Charlie Potheen (1973), and The Dikler (1974), gave Walwyn his fifth success in the race with his 1979 victory. Since then he has not quite lived up to expectations, but few will deny that he remains a particularly formidable foe at Sandown.

An Honour Bound gelding who, according to Walwyn, probably "gets over a fence faster than any horse I've trained," Diamond Edge has not raced on such firm ground under National Hunt rules before.

However, he showed no dislike for fast conditions in the point-to-point field before joining the Saxon House team and I do not envisage the ground proving a problem.

A far more formidable threat in this, the 21st running of the Whitbread, is likely to come from Father Delaney. Now on a highly favourable handicap mark following some lack-lustre displays, Father Delaney could, it seems, be almost back to the form which saw him lifting last season's Massey Ferguson Gold Cup. That, anyway, was the conclusion reached by many Scottish racegoers following his recent display at Ayr.

Held up by Alan Brown there, Father Delaney was, in common with many, given far too much to do near home in the Scottish National, in vain pursuit of Astral Charmer, whose rider had poached a long early lead.

However, he did all he could to make up the leeway and barring a repeat of those circumstances should make the frame.

At anticipated odds of around 7-1, Father Delaney, has for me greater each-way appeal than Diamond Edge.

SANDOWN
1.45—Sylvan Barbarosa
2.15—Capstan
2.55—Father Delaney***
3.35—Rankin*
4.10—Bold Raider
4.40—Glimmer**

LEICESTER
1.30—Ghenting
3.00—Hit Record

FINANCIAL TIMES

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For Share Index and Business News Summary, Telephone 246 8026 (number, preceded by the appropriate area code valid for London, Birmingham, Liverpool and Manchester).

COMPANY NOTICES

FLEMING JAPAN FUND S.A.

Société Anonyme

Luxembourg, 37, rue Notre-Dame

R.C. Luxembourg B 8392

Notice of Meetings

NOTICE is hereby given that the Annual General Meeting followed by an Extraordinary General Meeting of the Company will be held at the offices of the Kredietbank S.A. Luxembourgeoise, 43, Boulevard Royal, Luxembourg, on Wednesday, 13th May, 1981, at 3.00 p.m. and 3.30 p.m. respectively.

Annual General Meeting

Agenda

1. Submission of the reports of the Board of Directors and of the Statutory Auditors.
2. Approval of the financial statements for the year ended 31st December, 1980.
3. Approval of the payment of a dividend.
4. Discharge of the Directors and of the Statutory Auditors in respect of their duties carried out for the year ended 31st December 1980.
5. Receipt of and action on nomination for election of Directors and the Statutory Auditors for a new statutory term.
6. Directors' remuneration.
7. Miscellaneous business as may properly come before the Meeting.

Extraordinary General Meeting

Agenda

To amend part of the third resolution taken by the Extraordinary Shareholders' Meeting held on January 30, 1969 in that..." except in case of issue by way of rights to the existing shareholders, the issue price, which shall include the par value of the shares and an issue premium, shall not be lower than the Net Asset Value of the shares on the previous valuation date, plus attributable expenses including sales commission, provided however that subscriptions must have been received on the valuation date."

A member entitled to attend and vote at the above Meetings may appoint a proxy to attend and vote on his behalf and such proxy need not be a member of the Company.

In order to take part at the Meetings of May 13th, 1981 the owners of bearer shares will have to deposit their share certificates five clear days before the Meetings at the registered office of the Fund or at a bank.

Resolutions to be taken at the Extraordinary General Meeting will require a quorum of one half of the shares issued and outstanding and a majority of 2/3 of the shares present or represented at the Meeting.

The Board of Directors

STANDARD CHARTERED INTERNATIONAL BOND FUND S.A.

Société Anonyme

Luxembourg, 37, rue Notre-Dame

R.C. Luxembourg B 16581

Notice of Meeting

Messrs. Shareholders are hereby convened to attend the Annual General Meeting which is to be held on May 13th, 1981 at 11.00 a.m. at the offices of Kredietbank S.A. Luxembourgeoise, 43, Boulevard Royal, Luxembourg, with the following agenda:

Agenda

1. Report of the Board and of the Statutory Auditors.
2. Approval of the balance-sheet and of the profit and loss account as at December 31st, 1980.
3. Allocation of net profits of the year.
4. Discharge of the Directors and of the Statutory Auditors.
5. Election of Directors and of the Statutory Auditors for the ensuing year.

A member entitled to attend and vote at the above Meeting may appoint a proxy to attend and vote on his behalf and such proxy need not be a member of the Company.

In order to take part at the Meeting of May 13th, 1981 the owners of bearer shares will have to deposit their share certificates five clear days before the Meeting at he registered office of the Fund or at a bank.

The Board of Directors.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY

Telegrams: Finantimo, London PS4. Telex: 8954871

Telephone: 01-248 8000

Saturday April 25 1981

Relief, not euphoria

WHEN A company which is suspected of being near bankruptcy manages to prove that it is going to survive, it often becomes the stock market's darling. Solvency may be guaranteed only through closures, sales of valuable assets, abandonment of promising markets and dilution of shareholders' interests, but the shares recover simply because the appalling prospect of total collapse has disappeared. On a grand scale, investors in Great Britain Limited seem to have become convinced that, while the country's troubles are by no means over, the shaking edifice of Britain's industrial economy will survive the recession in some recognisable form. The sentiment that is now pushing share prices up to unprecedented heights is perhaps best characterised not as euphoria but as relief.

Complicated

With the end of the 1980 results season approaching, the stock market now believes that it has seen the worse. However bad the worst has been and however tenuous the signs of improvement, the market is heaving a huge collective sigh of relief. While there have been dividend cuts, capital reconstructions and huge redundancies, all of Britain's major industrial companies have pulled through. The truly catastrophic shock, for which the market has been bracing itself since the recession began in earnest this time last year, has not occurred.

How far the new confidence among investors is the product, and how far the cause, of the less gloomy forecasts coming from the leaders of industry and from Government Ministers is one of those complicated issues of political and economic psychology that can never be satifactorily resolved. Nobody in the City has yet found a very satisfactory explanation for the past month's rally except in the movement of the official leading indicators (themselves heavily influenced by the increase in share prices) and in the tone of a handful of chairmen's statements. But this would not be the first time when the justification of the market's behaviour emerges well after the event.

For the Conservative Party the revival in sentiment could not have come at a better time, with the local government elections approaching next month. There are cynics in the City and in industrial pressure groups who see in industry's change of mood an element of rallying round the Party.

But the new found optimism in the markets is by no means confined to Britain. While the London stock market has put on the most spectacular performance in recent weeks, there have also been rallies in Japan, Hong Kong, Germany and Australia, as well as Wall Street. All these equity markets have powered ahead despite the lack of any clear downward trend in interest rates. In the U.S. anlysts interpret the strength of the equity market one day as an indication of confidence in the Fed's determination to fight inflation. On another day they explain the purchase of equities as a reflection of investors' flight out of paper and into real assets, in response to an inflation which shows no signs of permanent abatement.

Sceptical

The fact that uch contradictory explanations of market behaviour can always be put forward is a reminder that a great leap of faith has to be made by anybody who wishes to conclude from the strength of share prices that an economy is recovering form recession or from a chronic inflation.

In Britain there can as yet be no certainty of a recovery, either in economic output or in corporate profits. Indeed, even many economists who were extremely sceptical about the chances of the present Government's policies succeeding were predicting a "false dawn" at about this time as a result of the reversal of the stock cycle. The conventional economic models which indicate that the end of destocking will not be a strong enough force to get the economy going have not yet been confounded by experience. Most company chairmen, have made it quite clear that they expect a sharp increase in profits only after the economy has recovered. Few would stick their necks out to predict when that recovery will begin in earnest.

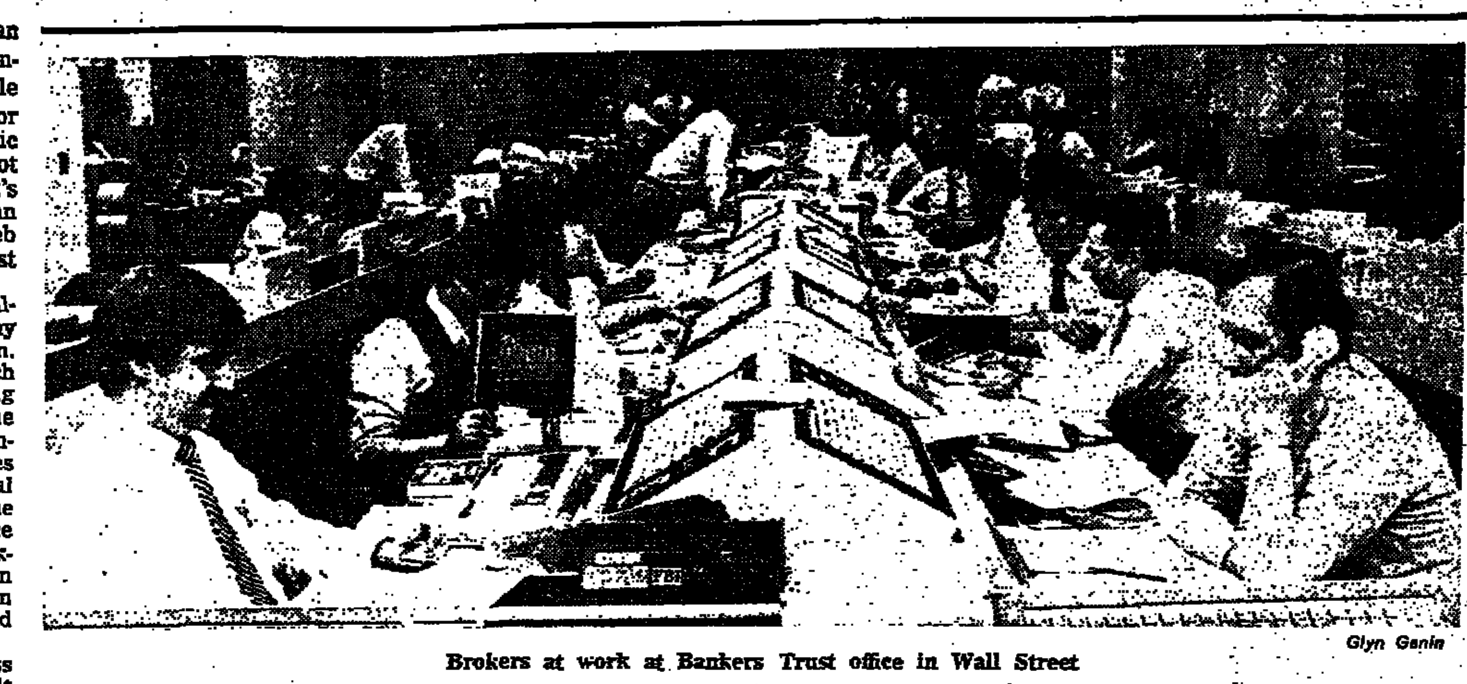
Interest rates

Internationally, the U.S. Government's yawning fiscal deficit threatens a continuation of high interest rates for the foreseeable future. The fight against inflation, which at the moment the Federal Reserve is carrying on more or less single-handed, is not progressing very successfully. Despite last week's encouraging consumer price index, which showed an increase of only 0.6 per cent during March, expectations about inflation are pessimistic.

Yet the best hope of an investment-led recovery in the world economy which will not run into a new inflationary spiral lies in reductions in interest rates and in inflation during the coming year. It is too early to say whether governments will exercise the fiscal discipline for such a happy prospect to be realised. And even then, the pace of recovery will depend on the ability of businessmen to take advantage of the opportunities which low interest rates and stable prices could provide.

Wall Street's merger surge

By David Lascelles in New York



Brokers at work at Bankers Trust office in Wall Street

Glyn Genin

THE DAYS when people can attend to all their financial needs with a single telephone call and pay for them with a single plastic card have come a lot closer with this week's huge takeover by American Express of Shearson Loeb Rhoades, one of the biggest firms on Wall Street.

Like last month's Prudential-Bache takeover, the deal may have been made in Manhattan, but the implications are much bigger. It knocks down a string of barriers separating the various segments of the financial service industry, and paves the way for super financial conglomerates combining the functions of banks, insurance companies, credit cards, stockbrokers, estate agents, and even travel agents, with offices in just about every country round the globe.

Although American Express and Shearson have not yet spelt out in detail what they propose to do together, there is every reason to expect that American Express cardholders will be able to draw cash, write cheques, buy securities and insure their homes on a single account, as well as charging travel and entertainment expenses and buying travellers' cheques which they can do already. The combined entity will have over 12m accounts, serviced by offices in more than 100 countries.

The wealth of possibilities caught Wall Street's imagination and set off a wave of speculative buying on the Stock Exchange as investors tried to spot new deals in the making. Stockbroking shares were much in vogue; insurance brokers were popular, too.

But dramatic though these mergers may seem, they are the newest stage in a trend which has been visible in the U.S. for some time, as companies in the financial service industry began to peer beyond their traditional enclaves for new markets.

One of the first companies to act was, appropriately, Merrill Lynch, the giant of the Wall Street broking business. Back in the 1970s it challenged the traditional notion of stockbroking and diversified into a wide range of services: insurance, estate agency, and banking. Supervising it all was Mr. Donald Regan, its chairman, who is now the U.S. Treasury Secretary.

Mr. Regan's most striking innovation was the "cash management account," (CMA), which is essentially a sophisticated bank-cum-stockbroking account with overdraft privileges. But it is so designed that virtually any form of consumer financial service could be plugged into it, and many people see it as the key to what is to come.

Mr. Walter Wriston, chairman of Citibank, said admiringly of the CMA: "The bank of the future is already here. Its name is Merrill Lynch."

It was the idea of following Merrill and creating a CMA of their own that first brought American Express and Shearson together, with American Express providing the banking and credit card expertise, and Shearson the stockbroking and money market fund side. But it is a token of how closely firms in the financial services industry now identify their futures that they quickly discovered that they could go a lot further and contemplate a merger. The final trigger for a deal was news of the PRU's bid for Bache whic showed that other were thinking the same way, too.

DONALD REGAN
CMA innovator

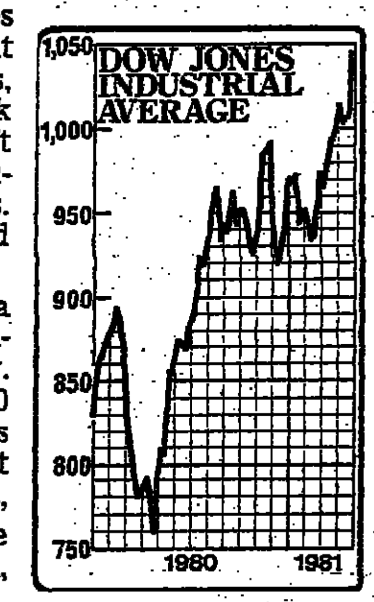
Amex and Shearson are expected to launch their own CMA fairly soon after the merger, and many other broking-financial concerns are also reported to have plans. But, as things stand, the Amex-Shearson link will be able to draw on the greatest range of services and is likely to break the next swath of new ground.

What makes the cash management account possible on a mass scale, of course, is the huge advance that has been made in electronic technology in the past 10 years. Powerful computers with sophisticated programmes enable companies to offer a considerable degree of personal service at minimal cost, while processing mountains of paperwork. American Express is already one of the world's largest computer users: it churned over nearly 100m charge slips last year, and expects to spend $250m this year expanding and servicing its capacity.

THE KEY to the revolution in the financial services industry could well lie in the "cash management account" pioneered by Merrill Lynch in the 1970s, which is a sort of stockbroking, credit card and bank account rolled into one with a large overdraft facility. A client can use his account to buy securities, and borrow to buy them on margin if he wants. But he also gets a cheque book and a visa credit card to draw on the account.

Any spare cash in automatically invested in a money market mutual fund where it earns high interest, currently three times what a bank can pay. The only requirment is that he have at least $20,000 invested in securities through Merrill Lynch: this is security for the overdraft and guarantees that Merrill Lynch will get some stockbroking business.

In the financial conglomerate of the future, the customer may be able to charge entertainment, travel, insurance and even mortgages to his CMA.



WALL STREET'S TOP INVESTMENT HOUSES

(figures in millions of dollars)

		TOTAL CAPITAL 1980	1979
1	Merrill Lynch (1)	1,065.0	784.2
2	Shearson Loeb Rhoades (2)	469.8	246.3
3	EF Hutton Group (3)	448.0	238.0
4	Salomon Brothers (5)	330.7	228.7
5	Paine Webber (4)	243.0	236.0
6	Bache Halsey Stuart Shields (8)	233.8	162.5
7	Goldman Sachs (7)	219.0	181.0
8	Dean Witter Reynolds (6)	216.3	193.7
9	Stephens (9)	167.3	145.1
10	First Boston Group (10)	153.2	127.2

(Figures in brackets denote 1979 ranking)

Notes—1979 figures: Salomon at 30/9/79; Goldman 30/11/79; Bache 31/10/79. 1980 figures: Salomon at 26/9/80; Bache at 31/10/80; Goldman and Dean Witter at 30/11/80. First Boston figures do not include holding company.

Source: Institutional Investor.

But logical though these financial get-togethers might seem, the precedents are not altogether happy. American Express has tried it before, buying a minority stake in Donaldson Lufkin Jenrette, another large broker. But this was in the early 1970s when Wall Street was going through a major crisis, and American Express pulled out at a loss (it still owns a small municipal bond trading house, though).

INA, the large Philadelphia insurance company, also tried tot go into investment banking by buying a 67 per cent stake in Blyth Eastman Dillon. But Blyth's earnings were disappointing, so INA sold it to Paine Webber, another large Wall Street broker. Under that deal, INA acquired 20 per cent of Paine Webber, which has sparked speculation that those two might soon try something together, though they deny that anything is being contemplated at the moment.

But these links were more in the form of investments than attempts to weld together a multi-faceted financial service company, drawing on the skills and marketing power of both partners.

Stockbrokers are particularly well-placed to take advantage of these trends. Relatively small and nimble (at least compared to insurance companies), their business puts them at the nerve centre of the financial world. Most also have well-developed markets and extensive branch networks which can be harnessed to new products.

Currently at any rate, they are extremely profitable. After rebounding from the recurring crises of the 1970s, most stockbroking firms have registered huge profit gains. Bache was up 100 per cent last year, Shearson even more. And if President Ronald Reagan fulfils his promise to breathe new life into the financial markets, business can only get better.

Mr. Harry Jacobs, chairman of Bache, said this week that he expects the stock market in the 1980s "to experience tremendous growth, rivalling or exceeding the great bull market of the 1960s."

Broking houses may even grab from the commercial banks a growing share of the lucrative oil-dollar recycling business as the Opec countries see new investment opportunities and place more of their funds in securities and less into bank accounts.

The banks in the U.S. are already concerned about these mergers because they would dearly like to travel the same road. But they are prevented by U.S. law from doing virtually anything except banking. Most stockbroking activities, like corporate securities trading and underwriting, are closed to them, as is insurance, real estate agency and money market funds. Furthermore, developments like the CMA threaten to encroach on bank's traditional deposit-taking territory.

What makes it worse is that Merrill Lynch can offer its services through branches nationwide, while banks are confined to their home states. American Express recently unveiled a plan for holders of its Gold Card to draw cash from their accounts through special machines all round the U.S. The banks were understandably furious.

As the banks see it, there is a danger that they will be prevented from participating in a major revolution in the financial services industry of which they—rightly—consider themselves to be a big part. In a massive lobbying effort, they claim that money market funds and CMA accounts are already siphoning funds out of the banking system.

"We want an opportunity to compete on a level playing field," complained Citibank's Mr. Wriston as news of the Amex-Shearson deal came across the news wires this week.

Some smaller banks have already threatened to file a lawsuit to stop the merger going through. "This is a clear violation of the spirit and intent of the Glass-Steagall Act for which the Justice Department has criminal enforcement responsibility," the Independent Banking Association said. The 1933 Act bars commercial banks from going into the stockbroking business, but the banks want to get it changed.

The banks' complaints have made some impact in Washington. The Federal Reserve Board has said it is considering subjecting money market funds to the same reserve requirements as bank deposits, which would reduce their yield and shave some of the attraction off a CMA. Some Congressmen also want legislation to curb the funds' staggering growth. (They have trebled in value to nearly $120bn in the last two years).

However, the Securities and Exchange Commission, which regulates Wall Street, is opposed to curbs. Mr. John Evans, an SEC commissioner, told Congress a fortnight ago: "The Commission is very sensitive to the general criticism that the innovativeness and productivity of private institutions are being stifled by unnecessary Government regulation, and we are attempting prudently to reduce regulation of those under our jurisdiction."

So, at least as far as the SEC is concerned, the revolution can go ahead. Whether the banks will be allowed to join in remains to be seen.

Letters to the Editor

Wages

From Mr. J. Lunt

Sir,—Recession is a polite word for unemployment, which is the very devil. It is now being caused by wages being too high, and profits too low, so that dividend-starved shareholders cannot re-invest as they used to do. In Keynes's time unemployment was due to wages then being too low, so that underpaid workers could not afford to buy the goods, although the shareholders were saving far more than they could invest and the banks were full of idle money.

What we have got to do, therefore, is to control wages at their right level. This they cannot do for themselves, as the law of supply and demand which is supposed to decide such matters, works the other way about, so that high wages are now rocketing just as low wages used to plummet in Dickens's day and Karl Marx's. The way to control wages, both firmly and fairly, is by wise taxation: immediately more PAYE on wages, along with an equivalent less tax on dividends, not ad lib, but at least until the economy is back in balance, as in 1955, and from then on, eternal vigilance, and Utopia, for ever and for evermore.

The right to strike, which when wages were low proved to be such a godsend, enabling us to lift ourselves out of the old, Beveridge, mass-unemployment, has now become a threat to our very survival, a right to prevent other people from working, and it will have to go, as no longer needed in a rationally ordered society.

James G. Lunt.
2, Tipton Drive,
Brownlow Road,
Croydon, Surrey.

Training

From the Managing Director, Sinclair Electronics

Sir,—There are two ways by which the Government can reduce public expenditure. The first is to transfer the public subsidy to the customer/taxpayer by direct methods. The second is to change the legislation that created the expenditure in the first place.

In the case of the training boards, the first part has already been enacted, but, despite the fact that the majority of grass-roots industry does not want or need to be hampered by the inevitable bureaucracy that they create, the second part remains.

The challenge to the Government is that the abolition of training boards by repealing legislation will not affect the level of training carried out by one iota. What it will do is to reduce industrial indirect taxation and overheads by up to 2½ per cent and will thus be of great benefit to those companies fighting to survive the recession. (Our major competitors in Japan, West Germany and the U.S. have no such tax to bear.)

The alternative to abolition is an ever growing cost to balance the growing administrative burden and the excessive staff levels of all training boards with little or no benefit to the country. Let the training boards become total voluntary organisations and we will see just how much support they really have in the country at large.

D. P. Holley.
Sinclair Electronics,
London Road, St. Ives,
Huntingdon, Cambs.

Brokers

From Mr. C. Oven

Sir,—The British Insurance Brokers Association was formed ostensibly to improve the status of insurance brokers but it would appear its main object is to increase their commission. BIBA's constant agitation has resulted in some companies leaving the Life Offices Association in order to accede to the demand for higher commission and this will lead to insurance brokers placing business where they pay the highest commission, which cannot be in the best interests of the policy holder.

BIBA claims that commission, which incidentally is very generous, is remuneration for expertise in advising clients. This being so the life offices should quote net rates and the insurance broker charge his commission in the same way as stock and commodity brokers, whose commission is substantially smaller for materially greater expertise and work. It is also only right that policy holders should know what they are paying for advice and incidentally, renewals.

If such a procedure was adopted and ideally made mandatory, the potential policy holder could decide whether to deal direct or whether to seek advice, in which case if he is primarily concerned with financial planning and/or investment he may take the view it is better to consult an accountant, stockbroker, or other organisation who is primarily concerned with investment rather than the sale of insurance.

C. R. Oven.
Patmore and Partners,
43, Bridge Street,
Leatherhead, Surrey.

Accountability

From Mr. N. Mullan

Sir,—We have now all been suffering from the antics of the civil service unions for several weeks.

During this time, has anyone asked whether the job security enjoyed by civil servants for so long is still justifiable? I, for one, feel sure that society would not disintegrate if civil servants became more accountable for their own errors and to economic reality.

N. J. R. Mullan.
13d, Vera Road, SW6

Taxation

From Mr. A. Mackay.

Sir,—I suppose it has been considered before, but assuming Chancellors will not end the dishonest injustice of limitless capital gains tax in an age of high inflation, surely the fairest and simplest administrative solution would be to put all securities on the same basis as gilts—no tax if held for a year and a day.

A. G. A. Mackay.
37, Park West,
Marble Arch, W2.

Unions

From Mr. R. Powell

Sir,—Christian Tyler's article on the "Sandwell closed shop affair" (April 18), referred to the council's closed shop agreement being introduced last September. It also mentioned that if the council "had been negotiating its closed shop after the Act came into force last October rather than before," it might have "employed the 80 per cent rule — or it might not."

It is perhaps worth noting that the "80 per cent rule" (Section 7 of the Employment Act 1980) came into force on August 15, 1980 — the month before the introduction of the Sandwell closed shop. But the main point is that, by virtue of Section 7, any employee who is a non-unionist prior to the introduction of a closed shop agreement, has a right to remain a non-unionist even if the ballot shows that at least 80 per cent of the workers agree to the closed shop. So in the case of Miss Harris, she had the right to remain a non-unionist, and the "80 per cent rule" is purely academic.

R. L. Powell.
16, Swn-y-Nant,
Pencoed,
Bridgend, Mid Glam.

Immigration

From Mr. R. Copping

Sir,—Mr. Harold Soref, (April 21) is right when he writes that Mr. Enoch Powell has overwhelming support for his views.

After Mr. Powell's dismissal fom the Tory Shadow Cabinet the Daily Telegraph reported that 97 per cent of letters received favoured Mr. Powell and only 3 per cent were for Mr. Heath. In a Gallop poll taken for the Daily Telegraph 74 per cent agreed with Mr. Powell and only 15 per cent disagreed. In a Daily Express poll on immigration 79 per cent supported Mr. Powell with only 17 per cent opposing him. The News of the World ran a poll on "Should immigration be stopped now?" The result was a massive vote of "Yes" from 132,504 readers (99.7 per cent) with only 355 opposing.

Mr. Powell was himself deluged with letters of support and had to bring in a team of volunteers to deal with them. Thousands of dockers and other workers marched to Westminster to present petitions supporting him.

It is most undemocratic that immigration goes on clearly against the wishes of a large majority of the British people.

Robert Copping.
4 Ronald Hill Grove,
Leigh-on-Sea, Essex.

Attitudes

From Mr. K. Paulus

Sir,—I hope you will not let Mr. Soref's letter (April 21) go unchallenged. The highly charged terms in which it is phrased merely lend weight to your call for thoughtful and positive rather than defensive action.

The means that people advocate for changing society and its institutions range from the ballot box to outright destruction. Where ballot box and parliament prove ineffective, e.g. when successive Governments introduce increasingly restrictive immigration regulations or when anti-discriminatory legislation without real teeth proves patently unable to change public attitudes, then it should not surprise Mr. Soref when a minority's frustrations vent themselves in anger. What is needed then, as in Brixton, Bristol and other flashpoints, are not calls for retribution and further restriction, but dispassionate and public examination of all the causes and circumstances, and positive action—yes, even positive discrimination—that strikes at the roots of the problem

Mr. Powell is of course right: as long as attitudes like Mr. Soref's persist, what is to come will be worse. What is needed is a change in attitudes so that we accept those "minorities" (Mr. Dean's words, April 22) we originally invited here, as full and equal partners in our society. Both majority and minority will have to change, but the onus is on the white majority to show that it is willing to allow this to happen.

Kurt Paulus.
22, Sunningdale,
Clifton,
Bristol.

Acumen

From Mr. A. Vizard

Sir,—In your UK News article (April 21) "Nissan project could boost Japanese component dominance" you ask the question "So at the centre of the debate is the question: On what terms should we welcome the Japanese car makers to Britain, and via Britain, the EEC?"

It has less to do with Japanese cars built in Britain as opposed to German cars built with Turkish labour than the question of basic resources. To obtain an 800-acre site in Japan would almost certainly mean going for land reclamation which is enormously expensive: again a plant this size would consume huge quantities of fuel, a commodity the Japanese are even shorter of than the Germans. In short, Sir, our Japanese friends are demonstrating once again their commonsense business acumen—greenfield sites and the North Sea.

Arthur E. C. Vizard.
Sunnybank,
Echo Pit Road,
Guildford, Surrey.

هكذا من الأصل

Kenneth Marston, Mining Editor, says that the worst may be over for an overheated diamond market

A whisper of spring in Hatton Garden

The Central Selling Organisation in London buys, markets and sets prices for over 80 per cent of the world's uncut diamonds. The stones are sold to a select band of dealers, who are expected to buy whatever is offered. The system works, though three years ago wild speculation led the CSO to slap on temporary surcharges.

THERE HAS been a good deal of gritting, not to say gnashing, of teeth in the world's diamond centres. From London's Hatton Garden to Antwerp, New York and Tel Aviv, an overheated diamond market has brought in its wake short-time working in the cutting factories, bankruptcies and a tightening of belts and profit margins.

It is no longer easy for the owner of a cherished diamond ring or brooch to find a reasonable price for it in the Garden. And for some of the larger high value stones there is not much market at all at the present.

However, there are signs that the worst may be over. At the top end of the market prices of the cut and polished high quality larger stones are beginning to harden, while manufacturers of "every day" jewellery are finding that some sizes of the smaller goods are none too easily available after having been in over-supply.

If the Garden contained a big tree, at the top would be South Africa's De Beers Consolidated Mines, the world diamond giant headed by Mr. Harry Oppenheimer who, by no coincidence at all, is also chairman of Anglo American Corporation of South Africa, the diversified mining industrial and financial conglomerate.

In the year to March 31, 1980, Anglo's assets were worth some £6.3bn including a direct stake of 4 per cent in De Beers. More important, Anglo's 52 per cent-owned Anglo American Investment Trust holds a further 27 per cent of the diamond giant.

If a change for the better is now under way in the market, that owes much to the "corrective" action taken by De Beers' Central Selling Organisation. With its headquarters at Holborn Viaduct, hard by the Garden, the CSO likes to describe itself as a diamond producers' co-operative.

Outsiders sometimes refer to it less kindly as "The Syndicate," or an international cartel. But it is more of a price stabilisation scheme, somewhat similar, for example, to the International Tin Agreement. Unlike other commodity stabilisation schemes, however, the CSO works.

Since it was formed in 1930 by the late Sir Ernest Oppenheimer it has brought order to what could so easily have been a chaotic boom and bust market for the world's diamond miners. In effect, the CSO has never allowed the prices paid to them to fall and has taken a guaranteed minimum quantity of their production, regardless of the state of demand.

In broad terms—and nothing is really simple in the cloak and dagger world of diamonds—the CSO buys, markets and sets prices for something over 80 per cent of the world's mine production of rough (uncut) diamonds. In one respect the market is unique—there is no such thing as a "price per carat of diamond" as there is for copper. Each diamond is an individual.

The stones come not only from De Beers' own mines but also from other mines, all of which are state-controlled, as in Angola and Sierra Leone, for example. Even the large Soviet output is sold in line with CSO selling policy, albeit via devious channels; the CSO no longer buys direct from the Russians.

The rough stones are sold by the CSO to a select band of dealers invited to attend the 10 selling occasions, or "sights," which are held in London every year. In 1980 the total value of these sales was $2.7bn, but it takes a year or so for the diamonds to reach the buying public in the form of polished gems. By then, they will have multiplied several times in value.

Diamonds are an international commodity in the full sense. When they leave the mines in various parts of the world and come to London they embark on a journey which takes them through cutting and polishing factories in other parts of the world, on to dealers and wholesalers, and thence to jewellery manufacturers and retailers. A diamond mined in Botswana may well travel via London to be cut in Antwerp or Tel Aviv and eventually be sold in New York.

But in 1978 the CSO came dangerously close to losing its grip. Currency uncertainties, notably in Israel and the U.S. prompted dealers in the diamond centres to hold on to their stocks as a hedge against currency changes instead of passing them along the processing chain.

The choking of the supply line led to wild speculative activity and a demand for the stones which pushed prices to 50 per cent and more above those which had been charged by the CSO. The latter took the unprecedented step of slapping on temporary price surcharges of up to 40 per cent.

This action, together with some judicious squeezing of credit—the stocks had to be financed by large borrowings—did the trick. The pipeline was flushed out. But the resultant surge of stocks hit the market just as it was beginning to cool at the onset of the recession. The impact of this is still with us today.

The market for diamonds can be split into three main areas. The first is that for the rough stones marketed by the CSO, the second is for the polished gem quality diamonds and the third is for the low grade material, used for industrial purposes, which accounts for between 17 and 20 per cent of total CSO sales by value.

But gem stones reign supreme in terms of value and at the top end of the larger and higher quality stones we come to the so-called investment grade diamonds. Ranging from just under one carat upwards (there are 100 points to a carat and 142 carats to the troy ounce) such stones account for only about 1 per cent of the total market in volume but as much as 10 per cent in value.

The investment market has grown rapidly in recent years. Indeed, the attraction of diamonds may blind the investment buyer to the drawbacks. There are some 3,000 different classifications of colour, degree of flawlessness, cut and size to choose from. Valuing a diamond calls for years of experience and even the experts can disagree.

The investment firms also undertake to buy back the diamonds when a holder decides to realise his investment. This, however, still leaves the investor tied to a limited market because if he tries to sell outside the firm—for instance, if it goes out of business—he would find that, certificate or not, hawking a high-value gem around the Garden can be dispiriting—to put it mildly.

Hugh Routledge

How To Spend It? This model is wearing jewellery worth £14m

While the rough stones are not allowed to fall in price, the values of polished diamonds can, and do, fluctuate. There is no real yardstick, but one example quoted is the top-grade D-Flawless (the D stands for colour) stone of one carat. Sometimes described as a museum piece because of its rarity, its going price was around $12,000 at the end of 1978.

If you could find one in March, 1980, it would have cost about $63,000 (the lowest-quality one-carat gem diamond then was under $2,000). But early this year the D-Flawless was worth under $40,000.

The weakness in the prices of investment grade diamonds was largely brought about by high interest rates, notably in the U.S., and this, in turn, tended to depress market sentiment generally. Once again, the CSO took action, this time by sharply tightening supplies of roughs, especially the higher-quality stones.

At the February sight this year the "boxes" of rough diamonds offered to dealers—who to all intents and purposes have to take the assortment on offer unless they are prepared to risk not being invited next time—were on average 60 per cent down on the value of these offered the previous month. In the case of dealers from Israel the cutback was even higher.

The boxes offered at the next sight in March were no bigger and their contents contained a larger proportion of the more saleable and cheaper stones as part of the current CSO policy of cutting supplies of the large investment diamonds.

As Mr. Hertzy Hasenfeld of the New York cutting firm of Hasenfeld - Stein, commented then: "People who had deals cooking today are pulling back to wait for the dust to settle."

To some extent the dust has settled. There are now signs that the investment market is picking up—the D-Flawless is reputedly now worth $40,000-plus.

A modest improvement is certainly under way in the market for the lower priced diamond jewellery after the conditions of earlier this year when the Russians were selling good quality polished goods in Antwerp at discounts of around 15 per cent. These sales have now dried up.

Although prices are hardening, they are still below those of a year or so ago. At the lower end of the market, which is in the tiny melees ranging in size up to about 14 points, one one-seventh of a carat, it is possible to buy good quality stones with the full 58 facets for the same price as was asked for only "8-cut" stones (containing 16 facets) last year.

In the larger 60-point size, prices are reported to have risen by up to 20 per cent for white pique (containing barely detectable imperfections) full-cut diamonds.

Generally speaking, however, there is no question of any real shortage developing and huge stocks of small roughs are held by the CSO, although it takes four to 18 months for a rough gem to reach the retailer in cut and polished form.

Mr. Ian Norrington, a partner of stockbrokers Grieveson Grant and a diamond specialist who was an executive of De Beers, says that the supply-demand balance of the market, especially in the small melees, which are the bread and butter of the jewellery trade, is much healthier. "There is room now for cautious optimism."

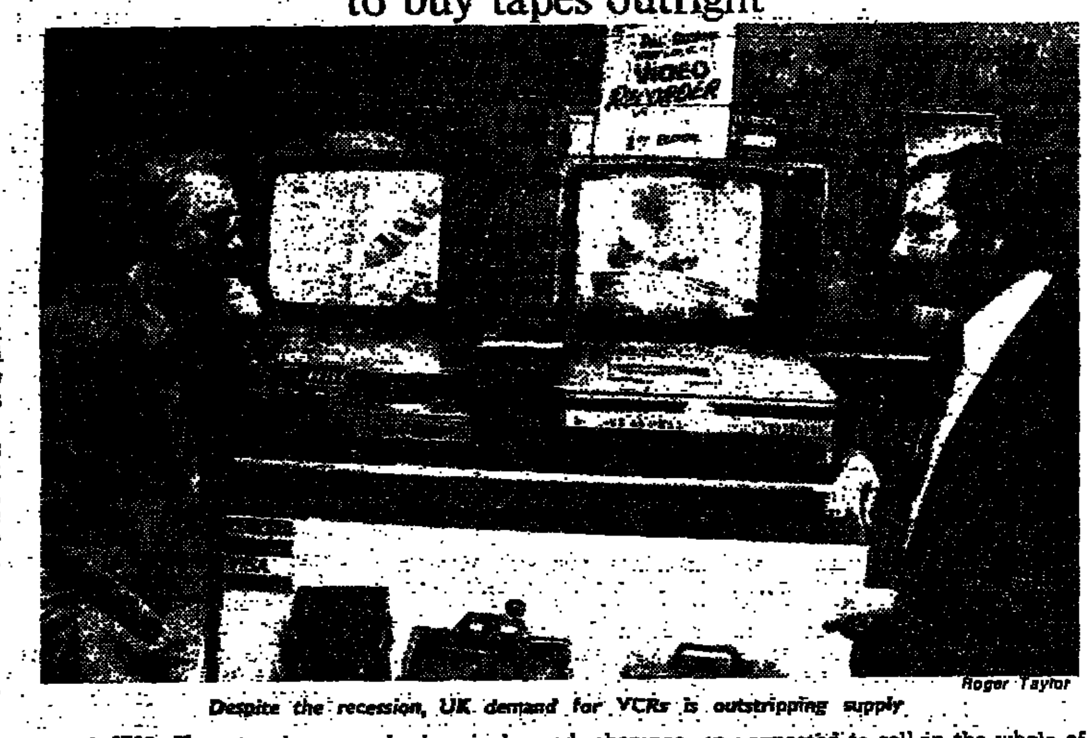
Real recovery, however, remains a long way off and the market is still having to live with high interest rates. Much will depend on the course of the economy in the U.S., which accounts for about one-third of polished diamond sales.

In the meantime, the many participants in an industry which last year accounted for an estimated $8.8bn in worldwide sales of retail jewellery alone will be keeping fingers crossed and may again be joking when they say: "How am I? Don't ask."

Weekend Brief

Surprise boom in VCRs and cassettes

'Even Woolworth has been surprised that a large proportion of its customers are choosing to buy tapes outright'



Roger Taylor

Despite the recession, UK demand for VCRs is outstripping supply

Instead of spending a pleasant evening with friends, more and more people are turning to the company of man-eating sharks and giant gorillas.

This living room invasion is the result of a booming interest in videocassette recorders, VCRs, which are turning humble television sets into miniature cinemas where blockbusters such as Jaws, King Kong and Star Wars can be enjoyed without moving from the fireside armchair.

This year videocassette recorders have finally taken off with the result that, despite the recession, demand for them is outstripping supply.

Most UK retailers say that they are having problems in fulfilling demand. They predict that production of units will not be able to match orders for at least 12 months.

Mr. David Johnson, head of Rumbelows, the electrical retail chain, said that most of the world's supply of VCRs comes from Japan. Faced with increased demand all over the world—even the plans to step up world production from 8m to 11m units will be insufficient to keep pace with the market growth.

Britons have been most enthusiastic about the possibilities of VCRs for taping programmes and films from the television. Mr. Johnson said that per head of population, the UK is the largest market in Europe. Already there are about 500,000 VCRs in Britain and the number is expected at least to double this year.

There are about 25 models on offer ranging from just under £400 to nearly £700. When the machines were introduced four years ago the cheapest was around £700. However, because demand is so strong retailers are not forecasting any further dramatic fall in price.

There is a strong rental market for machines, which cost on average about £16 a month to rent. It is estimated that at least half the machines in the UK are rented. One of the factors which has encouraged renting is that the VCR machines are based on three rival and incompatible systems.

These are Sony's Betamax system, the VHS system favoured by companies such as Hitachi, Thorn-EMI and National Panasonic, and a European design from Philips. Many people are waiting until there is a system which has a clear market lead before buying.

However, taping programmes from television has been extremely popular since it has only been relatively recently that legitimate sources of pre-recorded material have become available. The cost of blank tapes has fallen from more than £17 in 1978 to as little as £7 today.

Blank tapes are easily obtainable nestling alongside paperback novels and shampoo in stores such as W. H. Smith and Boots.

Pre-recorded material, on the other hand, is more expensive with prices for films and television programmes such as Death on the Nile, Murder on the Orient Express, and the Kenny Everett Video Show ranging between £29 and £40.

It is also possible to rent pre-recorded programmes.

Recently Woolworth started a rental club which is available at nearly 100 stores. After paying a refundable fee of £30 members can hire a film for £5 for three days. Given the size of the average family, plus a few friends—this home entertainment can be cheaper than an evening at the local cinema.

Thorn-EMI, which supplies programmes and films to Woolworth, has also signed agreements with W. H. Smith, Boots, Dixons and Rumbelows for similar schemes.

Thorn-EMI which only began making pre-recorded tapes at the beginning of this year has been stunned by the demand. Already it has sold more copies of the Deerhunter than it expected to sell in the whole of 1981.

Even Woolworth has been surprised that a large proportion of customers are choosing to buy tapes outright rather than rent. A third of its customers prefer to buy, although the company had estimated that only 20 per cent would choose to do so.

It still believes that eventually most people will prefer to rent. The reason is that until this year the main sources of pre-recorded tapes were illegal. Backstreet Traders copy tapes without obtaining permission from copyright owners. They parade their wares as the genuine article, much to the annoyance of film producers and distributors who had delayed entering the pre-recorded tapes market until demand was large enough.

As a result, large profits have been made by illegal tape copiers although there has been a very lucrative market in pornographic films. As one retailer commented: "I am sure there have been more blue movies sold than My Fair Ladies."

Reaping power from windmills

A letter to a newspaper this week asked why modern windmills could not be designed with the charm invested by Venetian engineers in the windpumps which irrigate the Lasithi plain and the island of Crete. The answer, of course, is that they can — if society wants them only for gentle duties.

A few hours spent investigating the elegant Dutch windmills near Amsterdam, which grind mustard and oil seed, elicits the information that these lumbering leviathans of wood generate about 50 kilowatts apiece. The electricity industry, urged on by those who think wind energy is free as air, but nevertheless obliged to pay some heed to the capital outlay required, calculates that it must get upwards of 20 times as much energy as this out of each windmill to make some sort of economic sense.

To reap this kind of power needs very big sails; more realistically, for long blades, like those of a helicopter. But such blades in high winds have shown a disconcerting tendency to come adrift, sometimes to the embarrassment of the supporting tower. One in Brittany last summer ended up, in the words of a French electricity industry chief, "looking like a bent paper clip."

The latest windmill to try to tie itself into knots is of a more advanced design, often heralded as the shape of windmills to come. Earlier this month one of these Darrieus or "egg-whisk" designs was caught by a 40-knot gust while being started up in southern California. At least one—possibly all three—of its blades sheered off, and sliced through guys supporting the 139 ft tower. Its designers, Alcoa, the aluminium people, said bravely that they would press on.

Two of Britain's top energy scientists, Dr. Tony Challis, chief scientific adviser to the Department of Energy and Dr. Freddie Clarke from Harwell, have been taking a hard look at windmill technology in the U.S. Britain will probably be buying American designs for the "windfarm" announced by the electricity industry a few months ago. It's no coincidence that two of the world's leading helicopter companies, Boeing and United Technologies, are designing big windmills.

These two companies are already front-runners to supply the two U.S. windfarms announced so far. These are being built by a venture capital company, Windfarms Limited. Their electricity will be sold to local utilities. One, in Hawaii, is expected to generate about 80 MW using 20 big windmills. The other, in southern California, is expected to raise up to 350 MW using 146 windmills.

Drs. Challis and Clarke returned with the latest American ideas for keeping long blades in place. They also learned how the Americans planned to cure their Boone windmill of the strange noises of which its neighbours have been complaining. Eerie bumps and booms have echoed for miles across the countryside from this 2 MW machine.

The trouble seems to be an aerodynamic interaction between blade and tower each time the blade passes the shadow of the tower. The terrain itself helps to focus the low-frequency sound this generates, channelling it towards some of its neighbours but leaving others unaffected. It wouldn't have happened, the designers believe, had they mounted the blades upwind of the tower. To cure it they plan to cut down its speed and thus derate it to almost half its original power.

One problem no one has cured, says Dr. Challis, is interference with TV reception. If the whirling blades contain metal or a conducting reinforcement such as carbon fibre, or even a lightning conductor, they will cause trouble for the airwaves. The only answer seems to be to provide the windmill's neighbours with cable TV.

For the first big windmill Britain plans, in Orkney, this should be no problem, says Dr. Challis. It will be too far away from anyone to cause annoyance. But the message they brought back loud and clear from enthusiasts for windmills in the U.S. was that big ones—because of noise, TV interference, dangers of flying ice in winter and the risks of blades occasionally coming adrift and so on—will probably never be environmentally acceptable in crowded communities.

Contributors

Elaine Williams

David Fishlock

Economic Diary

TODAY: Mr. Michael Foot, Opposition leader, speaks at Labour Party rally on El Salvador, London.

TOMORROW: Sir Ian Gilmour, deputy Foreign Minister, begins five-day visit to Turkey. Union of Shop, Distributive and Allied Workers conference opens, Blackpool (to April 29). Mr. Michael Foot addresses Association of Professional, Executive, Clerical and Computer Staff annual conference, Southport. First-round ballot in French Presidential election. National Meat Trades Fair opens, Harrogate (to April 29).

MONDAY: Mr. James Prior, Employment Secretary, addresses Industrial Society conference, London. House of Commons resumes after Easter recess. Amalgamated Union of Engineering Workers conference opens, Eastbourne (to May 1). London Chamber of Commerce meeting on tax and the small firm. Herr Helmut Schmidt, West German Chancellor visits Saudi Arabia. Storage, Handling and Distribution Exhibition opens, Earls Court (to May 1).

TUESDAY: British Institute of Management publishes salary survey. EEC Development Council meets, Luxembourg. First quarter first preliminary estimate of consumers' expenditure. Confederation of British Industry publishes April industrial trends survey. First quarter figures for bricks and cement production. Leather and Associated Trades Show opens, NEC, Birmingham (to April 30). Prince Charles begins three-day visit to Venezuela.

WEDNESDAY: Mr. David Howell, Energy Secretary, speaks at Norwegian Chamber of Commerce lunch, Savoy Hotel. Trades Union Congress general council meeting, London. South African General Election.

THURSDAY: Institute of Directors conference on unfair competition—the trade barrier of the 80s: speakers include Mr. Cecil Parkinson, Trade Minister, and Sir Fred Catherwood. Commons debates Finance Bill, committee stage. March final figures of unemployment and unfilled vacancies. February figures of employment in the production industries. Overtime and short-time working in manufacturing industries for February. Stoppages of work due to industrial disputes in March. Fourth quarter estimates of employees in employment. Energy trends.

FRIDAY: National Savings Bank investment account interest rate cut from 15 to 13 per cent. Wales Trades Union Congress opens, Porthcawl (to May 3). Department of Industry publishes March final figures for car and commercial vehicle production.

£3.5m full year loss at Mettoy

FOR 1980 Mettoy has suffered a turnround from a profit of £723,000 to a pre-tax loss of £3.48m, on turnover £6.76m lower at £25.75m. The CCA loss is £4.51m.

The historic result followed a deficit of £2.17m (£703,000 profit) at midway and was struck after exceptional debits this time of £680,000 and higher interest of £1.56m (£821,000).

There was a tax credit of £453,000 (£435,000), leaving the attributable deficit of this toy manufacturer at £3.03m *(£1.16m profit)* and loss per 25p share *at 18.7p (7.1p earnings). The final* dividend is 0.1p net, and as there was no interim this is left to stand against last year's total of 1.85p.

● comment

Mettoy's *results* are worse than expected, with the Christmas period providing no relief to the unremitting gloom. Share*holders' funds have been reduced* by about 20 per cent, the shares *stand* below par, *stocks remain* high at £7.5m and the company's overdraft has risen by 50 per cent to £4m. Capital gearing appears to have risen from around 30 per cent to just over 50 per cent and interest charges over the year nearly doubled to £1.558m, marginally higher than the group's trading profit in 1979. While turnover in the *second half has* proved *more* resilient than the first 36 weeks' *trading when sales overseas fell* sharply, margins show no sign of improving. Further redundancies in the second half have cut staff from 3,458 to around 2,700. The exceptional debit includes one large bad debt in an unspecified foreign market. The company's earnings potential remains bleak. The CCA loss of 23.3 per share contrasts with a current market price of 25p.

Electra cancels venture after poor response

THE WIDELY applauded attempt by **Electra Investment Trust** to raise money from individuals for investment in small unquoted companies has flopped, and the venture has been cancelled.

The offer for sale two weeks ago of up to £20m of loan stock in **Electra Risk Capital** attracted only 319 applications for £3.5m of *stock, less than half the* £7.5m minimum set by the sponsors.

Cheques will be returned to applicants in the next few days.

Mr. *Michael Stoddart, chief* executive of EIT, said he was *disappointed but would try again* to tap what he believed was a *substantial interest among* individuals to invest in small businesses.

The idea behind Electra Risk Capital was to take advantage of Section 37 of the 1980 Finance Act which enabled individuals to deduct from taxable income any crystallised losses on direct investments in unquoted UK companies.

The problem with the provision was that most individuals *have neither the time nor the* skills to evaluate small companies, while the law *precluded* collective action in the conventional way through *a* professionally managed unit or investment trust.

ERC *proposed raising* a pool of loan capital and then redeeming portions of it as investments in *companies were made and the equity* passed on directly to the stockholders.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Amal. Metal	6	June 11	11	9	14
Amal. Power	3.08	July 2	3.08	4.62	6.16
Bremner	3.15	July 3	3.15	4.3	4.3
Clayton Son	4.6	May 21	4.6	6	6
Dares Estates	0.63	—	0.68	1.13	1.13
Futura Hldgs. ...2nd int.	1.54	May 19	1.54	2.59	2.59
Grampian TV	1.75	—	1.47	2.75	2.28*
Mettoy	0.1	July 1	0.6	0.1	1.85
Palabora ...1st int.‡	10	June 3	25	—	110
Scottish Ontario Inv.	2.15	July 6	2.15	3.15	3.15
Stylo Shoes	3	Oct. 1	3	3	3
Vosper	Nil	—	2	Nil	4.6

Dividends shown pence per share net except where otherwise stated.

* *Equivalent after allowing for scrip issue.* † On capital increased by rights and/or acquisition issues. ‡ South African cents *throughout.*

Mr. Stoddart said the offer drew a large response from the public and was welcomed by professional investment advisors and by the Minister responsible for small business, Mr. John MacGregor.

More than 8,000 prospectuses were *distributed and both* Electra and the brokers, L. Messel, *responded to hundreds* of inquiries.

Some observers suggest the proposal, being novel, should have been left open, but Mr. Stoddart said it had run a week longer than most offers and to have left it any more might have strained Electra's credibility.

The £10,000 minimum subscription was large but economics prohibited a lower figure, he added.

Total costs of the unsuccessful offer were about £160,000, but Mr. Stoddart said he was not defeated.

"We have gained a valuable list of people who wrote in and I am going to see what we can retrieve from it."

He ruled out an early repeat of the ERC formula but said he would consider something that would incorporate the additional tax incentives proposed in the 1981 Income Tax Bill, provided the restrictions on these are relaxed before passage through *Parliament.*

See Lex, Back Page

Grampian TV ahead to £0.52m

A 71 per cent increase in taxable profits from £301,717 to £516,040 is reported by Grampian Television for the year to February 28, 1981. However, Mr. Iain Tennant, chairman, warns of a lower result for the current year, as higher costs will be incurred in re-equipping studios, setting up a new sales organisation and providing for the establishment of the fourth channel.

At halfway, when profits were ahead from a depressed £31,101 to £288,115, the chairman said he was confident this trend would continue through the second half.

He now points out that the year was one of the most profitable in the group's history. Revenue improved by 48.7 per *cent to £6.93m (£4.66m),* while profits from television operations *leapt 149.8 per cent to £471,454* (£188,770).

Glenburnie Properties, the group's subsidiary, also had a successful year *and its contribution* to profits, at £149,586 (£112,947), improved by 32.4 per cent.

Above the line Exchequer levy took £105,000 (nil). The tax charge of £86,553 *(£142,000)* was unusually low due to a £136,050 transfer from deferred tax. This resulted from the decision to invest heavily in technical plant and equipment during 1982 and 1983.

The net final dividend is 1.75p, effectively lifting the total pay*ment from 2.28p to 2.75p* on earnings ahead from 3.5p to 10p per 10p "A" ordinary share.

On a CCA basis pre-tax profits *are shown at £425,000.* The historic net result was £450,000 (£160,000).

BIDS AND DEALS

'No dividend' warning to British Dredging members

READY MIXED CONCRETE, the building materials producer which is planning to bid for British Dredging, warned British Dredging shareholders in a circular yesterday that there is "no immediate prospects of dividends" being declared by Dredging.

Ready Mixed Concrete is prepared to offer 35p per share cash to British Dredging shareholders, with an alternative offer of *shares.*

The bid is subject to shareholders of British Dredging rejecting an ordinary resolution authorising a *£720,000 rights* issue at an EGM next Friday.

Shareholders are told *by Mr.* John Camden, *chairman of RMC,* that if they vote in favour of the British Dredging resolution they would be voting for continued investment in a company which made losses from 1974 to *1979.*

Although British Dredging reported a turnround from a pre-tax loss of £405,732 in 1979 to a pre-tax profit of £510,165 in 1980, RMC says the results for 1980 show the importance of exceptional items.

RMC says a dividend has not been paid by British Dredging *since 1974* except for an interim of 0.3p per share in 1976. There are no immediate prospects of dividends, it claims.

The special resolution to cancel the share premium account and enable dividends to be paid out of future profits requires a *75 per cent majority* "and will therefore be defeated" when RMC, *which holds* a *27.85* per cent stake in Dredging, votes against the *resolution.*

RMC argues that its proposed cash bid of *35p per share* is 59 per cent higher than the share price on the day before the rights issue announcement.

The alternative offer of shares in RMC will carry a dividend in respect of 1980 equivalent to a net dividend of 1.53p per British Dredging share.

Shareholders are urged to vote against the British Dredging resolution.

Mr. Fane Vernon, chairman of British Dredging, countered the criticisms raised by RMC.

"In criticising the record of British Dredging Mr. Camden is *completely blind to the fact that* there is completely new management in British Dredging. In spite of his group's large shareholding in our company, he did nothing to help the company make the change in management," he asserted.

He claimed RMC "is threatening to use their existing share*holding to prevent all* shareholders receiving dividends."

Amalgamated Power recovery: 1-for-3 rights to raise £2.8m

Amalgamated Power Engineer*ing, the maker of steam tur*bines and diesel engines, has reported a dramatic profit recovery in the second half of 1980 and is *raising £2.8m* in a one-for-three rights issue at 64p.

Also, the directors are recommending a maintained final dividend of 3.08p after halving the interim to 1.54p; and are undertaking to pay a total dividend of at least 5p on the enlarged capital in respect of 1981.

AME shares rose 8p yesterday to 88p, a high for the year.

Pre-tax profit of AME in 1980 was £1.9m (£1.55m) on turnover of £80.59m (£69.48m). Interest charges came to £2.9m (£1.7m). Profit, after taxation of £445,000 (£764,000), was £1.5m (£0.79m), or 11.07p a share (5.77p).

Mr. Astley Whittall, chairman, *says the contribution of over*seas and associates was again in excess of £1m. Also, in the later months of 1980, there was some *improvement* in output which, coupled with the introduction of *tighter controls,* in particular cash management, led to a *significant reduction in borrow*ings from their mid-1980 peak. Total borrowings at *the end of* 1980 were £10.3m compared with £12.1m.

The group has an excellent forward order book but the compressor factory at Birmingham and the pump business at Tipton are on short time. The cost of redundancies during 1980 totalled £485,000 and was treated as an extraordinary item.

The rights issue is intended to strengthen the group's capital base so that deferred capital spending programmes can be resumed.

It is for holders registered *April 16,* and is subject to approval of a resolution at an *EGM on May 11* to enlarge the share capital. Dealings in nil-*paid form are expected to begin* on May 12 and the final day for acceptances is June 1. The issue has been underwritten by Hill Samuel and brokers are W. Greenwell and Smith, Keen Cutler.

● comment

Amalgamated Power Engineering has shown what it can do in the *absence of production disrup*tions. Trading profits were up *by a third in the second half* despite the effects of the *recession on some operations.* Both profit and share performances have been *dis*appointing since the last rights issue in 1977 but the strong order book and recent big contract awards in Iraq and the Marshall Islands provide hope that the group is entering another earnings growth phase. The fully taxed historic p/e is 12.4 and the prospective ex-rights yield of 9.1 per cent provides support.

Highland Electronics in loss

in certain subsidiaries brought *about by the recession have left* **Highland Electronics Group** with *a pre-tax loss of £87,164 for the* six months to October 31, 1980, *compared with a profit of* £307,657. The surplus for the last full *year was £369,217, with* only £61,559 coming in the second half.

The directors say extensive measures have been taken to cut costs and accommodate the trading levels now being experienced. But they warn that these measures in themselves are expensive and that the costs will fall in the current half year.

They add that current order levels are showing some improvement and, coupled with the reconstructions in hand, will leave *the group well* placed to recover.

First half sales of the group, *which manufactures electronic* components, improved from *£3.99m to £4.61m.*

London quote for Gulf Oil

TRADING IN the shares of Gulf **Oil**, the large U.S.-based integrated *oil company, is to begin* on the London Stock Exchange on Monday.

Gulf, which produces about 70 per cent of its 650,000 barrels-a-day of petroleum liquids in North America, is seeking the listing with a view to broadening its share ownership.

Mr. Paul H. Weyrauch, company treasurer, said the listing *was not a prelude* to an offering of Gulf equity or debt securities *in Britain.* "However, our *listing* would be a definite asset should *we decide to market any sterling* securities in the future."

The company *reported net* income in 1980 of $1.4bn ($1.3bn) or $7.21 a share ($6.78) on revenues of $28.79bn ($26.14bn).

The shares have traded between $52½ and $31¾ in the past 12 months. The *low point* was reached on Thursday following publication of first quarter 1981 results showing a 22 per *cent decline in net income* to $303m, or $1.55 a share.

M. BROWN SEEKS TO REMOVE DIRECTOR

The board of **Matthew Brown**, the brewing and hotel group, has called a special meeting of the company for May 15 to seek to remove Mr. F. R. T. Wilkinson *from the board.*

Mr. Wilkinson has refused to *resign although the other* members of the board have decided that his wife's controlling interest in a restaurant represents a conflict of interest.

Vosper plunges to £1.4m loss

A SHARP reduction in sales from £11.5m to £8.64m plunged Vosper, the shipbuilding group, into the red for the year to October 31, 1980.

The group showed a pre-tax loss for the year of £1.41m, compared with a profit last time of £1.35m, and the directors are *omitting the final dividend.* In the previous year, the net total *payment was 4.6p.*

On the year ahead, the direc*tors say trading has improved* profitably. A positive cash flow since the *year end has also* resulted in a substantial reduction in bank borrowing.

The directors point out that the results continue to be adversely affected by the fact that nearly four years have passed without the payment of proper or adequate compensation for the nationalisation of its main ship repair subsidiaries.

A claim against the Government for the payment of fair compensation has been submitted to the European Commission of *Human Rights.*

The cost of acquiring control *of Vosper Hovermarine from* Hovermarine Corporation of the U.S. *early in 1980 included writing off development expendi*ture *cost over-runs on contracts* held at the time of acquisition *and other provisions.* It has resulted in a deduction from *reserves of £3.57m.*

The directors say claims have *been made* for breaches of the warranties and indemnities given *by Hovermarine Corporation in* the purchase and sale agreement which *could lead to Vosper* acquiring the remaining 49 per *cent of the ordinary shares.* These are currently held as security under the terms of the agreement.

● comment

Vosper's figures for the year to last October are little short of *horrific, even if the element of* surprise was softened by warn*ings at the interim;* the shares remained yesterday on 115p. Net worth *fell* by 40 *per cent* during the year, to £11.2m; borrowings rose from zero to nearly £5m. The drain on shareholders' funds was two-fold: £3.57m went straight from reserves to cover costs incurred in acquiring control of Hovermarine, and there was also a net loss for the year of £3.4m. A sizeable chunk of that relates to accumulated losses in the Hovermarine balance-sheet—the extraordinary *debit is mostly traceable* to that source. But group operations cost Vosper £2.9m, a trading margin of minus 33.5 per cent on sales: a pre-tax loss of £1.4m was lightened by £1.5m of investment income — two-thirds of which will not recur. Last year's trading margin might cast some doubt on the eventual earnings value of Vosper's growing order book—now £19m—but both subsidiaries are now trading at a profit, and there are hopes of paying an interim *dividend.*

David Scott slumps to £139,000 for 16 months

PRE-TAX PROFIT of the **David Scott Group**, footwear manufac*turer and distributor, plunged to* £139,423 for the 16 months to *January 31, 1981, from £547,181* for the 12 months to September *30, 1979.*

Turnover for the 16 months was £12.93m (£8.72m), and the profit before tax was struck after interest charges of £259,961 (£105,218).

Tax for the period took £16,773 (£34,920), minorities were £4,131 (£1,148) and extraordinary items amounted to £105,166 (£3,500).

The directors say that trading *in the last* four months was in line with expectations and they *have therefore decided to* recommend a maintained final *dividend of 1.5p net per 10p* share. This makes a total of 2.1p *for the 16 months* compared with 2.037p for the previous period.

The company changed its name *in April last year from the* Wearra Group.

OFFER BY ENERGY RESOURCES

Next week investors are to be *offered shares in a new offshore* company, **Energy Resources and Services Incorporated.**

Formed under the auspices of John Govett and Co. and Ferrier Lullin et Cie SA, the new vehicle will be investing worldwide in the energy and energy service sector.

The offer by ERS is for 5m shares of U.S.$5 each at a price *of U.S.$10 per share. A full copy* of the prospectus will be pub*lished in Monday's paper.*

Clayton Son tax benefits

A SECOND-HALF *fall from* £625,687 to £341,637 has left **Clayton Son and Co. (Holdings)**, engineering concern, well behind at £612,637 for 1980, compared with £963,687 pre-tax. Turnover was also down at £11.51m against £13.5m.

The dividend has been maintained, however, at 6p net per 50p share with a final payment, *unchanged at 4.6025p.*

At midway the directors *envisaged that full-year results* would be considerably reduced *on those for 1979,* and *they saw* no prospect of a turn in the trading pattern *before* the year end.

Tax *for the year was much* lower at £78,434 *(£494,228)*—there was a deferred tax clawback amounting to £332,765—and there was a credit of £448,066 (£46,803) representing deferred tax provision no longer required.

After an extraordinary debit *of £29,717* (nil) the balance came through ahead from £496,494 to £954,095.

Stated earnings have risen *from 17.99p to 21.43p* per share.

Simplicity and NCC merger suffers setback

TALKS between **NCC Energy** and **Simplicity Pattern** *company* of the U.S. have not yet "accelerated" towards a merger as Mr. Graham Ferguson Lacey, chairman of NCC, publicly hoped a fortnight ago.

Then he said "discussions which might lead to a merger between the two companies will be accelerated." Yesterday, a joint statement from Simplicity and NCC spoke only of talks "proceeding" and a swopping of chief executives to "facilitate discussions and knowledge by each company of the other."

A merger is not specifically mentioned. Instead, the statement says the companies and *their bankers* "will actively explore and work towards a *business combination* involving Simplicity and NCC."

Simplicity, one of the world's leading dressmaking pattern pro*ducers, wants to diversify out of* what it sees as a declining *market. It has more than £40m* of cash resources in addition to unused bank facilities.

ASSOCIATES DEAL

Rowe and Pitman has bought for Guinness Mahon and Co., associates of **Associated British Engineering**, 25,000 **Hirst and Mallinson** at 31p.

SHARE STAKES

Bell and Sime—*May and Has*sell *has acquired 4,400* shares making holding 57,350 (14.337 per cent).

Leda Investment Trust—*London Trust has sold 100,000* income shares leaving holding 235,000 (less than *5 per cent).*

Johnson, Matthey—Following recent rights issue, etc, Charter Consolidated now holds 28 per cent of equity.

T. Cowie—W. S. Yeates has acquired an interest in 620,000 Ordinary shares (5.1 per cent).

Leigh Interests expands with £3m acquisitions

Leigh Interests, the waste disposal and builders' merchant group, is to pay £3m through the *issue of 1.93m of its own shares* for **Derby Waste Disposal, Pardevelopment** and other related assets.

Leigh said its profits for the year to March 31, 1981 were *estimated at not less than £1.1m,* the level earned the previous *year. A final dividend of 3.8p* is forecast to make a total of 5.63p (5p).

The Leigh shares will be placed at 158p each *with institu*tional and other investors. The acquisition is also conditional on the *increase in capital being* passed by Leigh shareholders.

Pre-tax profit of the Derby group last year was *£147,000* after charging some *£150,000 of* operating expenses which will not be incurred under Leigh's ownership. Net tangible assets are £775,000.

Leigh said its future depended largely on the availability of land with *planning* permissions allowing deposit of waste.

Leigh may sell part of Derby's land, which is surplus to its *requirements, if it can do so* while keeping the exclusive *tipping rights.*

Minorco U.S. purchase

THE BERMUDA-REGISTERED **Minerals and Resources Corporation** (Minorco) has agreed its first major purchase since it was reorganised earlier this year to make it the **Anglo American De Beers** group's instrument for expansion outside South Africa.

In conjunction with its affiliated company **Hudson Bay Mining and Smelting**, Minorco is to pay U.S.$21 a share in cash *for the 45 per cent of* **Terra Chemicals International** not *already owned, in a transaction* worth some $113m (£52m).

Terra, of Sioux City, Iowa, is a manufacturer and supplier of nitrogen-based fertilisers and feed *ingredients. Sales last year* were $299m, and the company produced *earnings of $1.70 a* share.

Minorco and Hudbay will each hold 50 per cent of Terra.

The Bermuda company was restructured *in February of this* year, and new assets worth $807m were injected *in* an attempt to make the company self-financing.

Mcleod to sell holding

***McLeod* Russel's** 20 per cent stake in **London Shop Property Trust** *is* up for sale, Sir John Jardine Paterson, McLeod's *chairman, said yesterday.*

Sir John was openly dis*appointed* at the success of London Shop's board in winning *approval for a rights issue* which has been bitterly opposed by McLeod.

Some 35 per cent of the votes *cast at the meeting were against* the rights, but Sir John believes the opposition would have been higher if institutional shareholders had opposed rather than abstained, and if there had not been delay in registering McLeod's most recent 5 per cent acquisition.

Sir John said he remained convinced that the rights—to be used to buy a portfolio of secondary properties—was against shareholders' interests.

"We are now reviewing our *attitude,*" he said, "and we would certainly consider any *serious* approach to acquire our shareholding."

Results due next week

ICI will report its first quarter figures on Thursday. Sir Maurice Hodgson—the chairman—spoke this week of the encouraging increase in sales volume during March, after a flat first two *months.* The benefits of loss elimination should begin to show through in margins, although selling prices have not *increased enough* to have any real impact. Altogether, this *should make for a better* result than in the final quarter of 1980—particularly *as* the *first* quarter is normally stronger. Analysts share this *qualified* optimism, but in varying degrees: forecasts range from break-even to a pre-tax profit of £20m. The margin for error in such forecasts is very large, since likely profits are the tiny *residual* of such very large sales and costs: sales in the corres*ponding quarter of 1980* were more than £1.5bn. For the full *year, there is agreement that the* total dividend will be maintained at 17p—even if uncovered. Estimates of annual pre-tax profits are disparate, but £200m would represent a compromise (compared with £284m in 1980).

Blue Circle's overseas operations, particularly in South Africa and Mexico, are believed to have made the running in the second *half* of 1980. Cement volume in the UK fell about *20 per cent in the second half* and there were a number of plant closures. Pre-tax profits *for the year,* which are to be anounced on Wednesday, were probably *£68m compared with* £51.9m although redundancy charges, if taken *above the line,* could knock *£5m off* that estimate. At the time of the £47m rights issue in August, the directors undertook to pay a 10p final dividend, making 15p compared with 12.5p. The £35m Armitage Shanks acquisition was completed too late in the year to *have* much of an impact on the 1980 results.

Tarmac and George Wimpey both produced significant increases in profits at the interim stage while John Laing shocked *the market with* a *sharp* acceleration of its earnings slide. Since *then,* a *boardroom* shuffle at Laing has brought in a new *executive chairman but the* second half is unlikely to have seen much, if any, *improvement* in the UK civil engineering and building products divisions. The full year results, to be published on Friday, will be substantially affected by provisions against some unsuccessful civil projects but the pre-tax figure might be £3½m against £11½m last year. *The dividend is likely* to be held.

The first half figures of Tarmac and Wimpey benefited from the comparison with the harsh 1979 winter. The remainder of 1980 was probably not as productive, either in the contracting area or in housebuilding. Still, Tarmac, which reports preliminary results on Thursday, is expected to show a satisfactory profit increase for the year to *£43m at the* pre-tax level compared with £38m. The interim divi*dend was raised 10* per cent and a similar *rise* in the final is *expected, making 15.1p* for the year.

Analysts are less certain about what to expect from Wimpey, which also reports on Thursday, given the decline in the private housebuilding sector in the second half but taking into con*sideration* also the chairman's statement at the interim stage *that the year's profits would be* satisfactory. Estimates range widely from *£42m to £52½m* compared to last year's £47.2m.

Analysts have been upgrading their estimates for **BAT Industries'** *pre-tax* profits for 1980 to take account of the company's *decision to include* for the first time associates' profits rather than *showing their contribution* as investment income. On this basis most analysts are going for around £460m pre-tax as against £443m, for the year end December 1979. Without this accounting change the pre-tax level would probably show a small shortfall as increased tobacco profits *appear to* have been insufficient to offset declining earnings on *paper and packaging* interests. Higher interest charges and taxes will have taken their toll at the attributable level. The *shares* have been strong ahead of the results as the market appears confident of an increase in dividend.

House of Fraser made *detailed* profit estimates in February, before the Lonrho bid *was* referred to the Monopolies Commission. The preliminary announcement was originally due last Thursday, but its postponement to Wednesday of next week is no cause to expect any deviation from the estimates to which we referred last week: pre-tax profits were expected to be *£34m (against £37.2m)* and the final dividend to be raised from 4p to 4.6p, making 6.6p for *the year.*

Other results due next week include *preliminary* figures from the discount houses Gerrard and National on Monday and Jessel, Toynbee on Wednesday. Other *preliminary* figures are expected from Simon Engineering on *Monday,* Foseco Minsep on Wednesday and BSG Inter*national* on Thursday. Kwik Save Discount reports interim figures on *Friday* and Hoover publishes first quarter results on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Allebone and Sons	Thursday	—	1.0	—
Ayrshire Metal Products	Friday	2.0	5.0	2.0
Blue Circle Industries	Wednesday	3.8	8.7†	5.0
Bodycote International	Tuesday	2.0	2.0	2.0
Boosey and Hawkes	*Thursday*	1.9	3.767	1.9
Boot (Henry) and Sons	Friday	3.0	10.0	3.0
Border Breweries (Wrexham)	Wednesday	1.2	3.3	1.3
BSG International	Thursday	0.9575	1.04251	—
Bulgin (A. F.)	Wednesday	0.58	0.77	0.58
Clarke (Clement) Holdings	*Tuesday*	1.0468	1.375	1.1525
Cole (R. H.)	Friday	2.13	2.52	—
Corinthian Holdings	Tuesday	0.5	1.0	0.75
Davies and Newman Holdings	Thursday	2.64	5.93143	3.08
Downiebrae Holdings	Thursday	0.9	2.1	0.9
English *National* Investment	Tuesday	1.01	1.22	1.05
Estates and General Investments	Monday	0.55	0.85	0.55
Farnell Electronics	Tuesday	1.3	2.7	1.5
First Castle Electronics	Tuesday	0.603	0.724	0.723
Foseco Minsep	Wednesday	2.65	3.78	2.65
Francis Industries	Tuesday	1.75	3.0	1.75
Gerrard and National Discount	Monday	5.0	6.5	5.0
Hammerson Property and Invest. Trust	*Friday*	—	6.0	2.5
Hopkinsons Holdings	Thursday	1.5	4.15	6.65§
House of Fraser	Thursday	2.0	4.0	2.0
House Property Company of London	Friday	1.0	3.5	1.0
Hunting Petroleum Services	Monday	1.5	4.0	2.0
Jessel Toynbee	*Wednesday*	1.75	2.875	1.75
Lake View Investment Trust	Tuesday	1.75a	2.5	1.2
Laing (John)	Friday	1.0	1.875	1.0
Liberty and Co.	Friday	0.8	2.6	0.4
London United Investments	Monday	4.0	5.0	4.0
Marlborough Property Holdings	Tuesday	—	0.3	
Marshall's Universal	Wednesday	2.8		
Moss Bros	Friday			
Mowlem (John)				
Newarthill				
North (M. F.)				

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
Office and Electronic Machine	Wednesday	2.5	4.0	2.5
Pentland Industries	Monday	0.2985‡	1.0	0.35
Save and Prosper Linked Invest. Trust	Friday	8.56	7.28†	9.12
Scottish Northern Investment Trust	Monday	1.2	1.94	1.2
Sheffield Brick Group	Tuesday	*0.75*	*1.0*	*0.75*
Shiloh Spinners	Wednesday	0.75	1.0769	—
Silentnight Holdings	Tuesday	0.97	2.03	1.0
Simon Engineering	Monday	4.0	7.33	4.0
Slingsby (H. C.)	Thursday	0.6	1.8	0.6
Spear and Jackson International	*Monday*	3.575	5.6	3.575
Sunlight Service Group	Tuesday	0.5	1.4	0.55
Tarmac	Tuesday	5.0	8.75	5.5
Thomson T-Line Caravans	Wednesday	1.75	1.75	—
Viking Resources Trust	Monday	0.66	0.79	0.4
Whatman Reeve Angel	Wednesday	1.6	1.9	1.6
Wimpey (George)	Thursday	0.75	1.5	0.85
Yule Catto	Thursday	0.8	1.2	0.8
INTERIM DIVIDENDS				
Bailey (Ben) *Construction*	Tuesday	0.44	1.0	
BAT Industries	Wednesday	6.0	8.54	
Border and Southern Stockholders Tst.	*Tuesday*	*0.8*	1.8	
Devenish (J. A.)	Wednesday	2.25	5.25	
Kwik Save Discount	Friday	1.3	2.7	
Lyles (S.)	Monday	2.0	3.5	
Safeguard Industrial Investments	Monday	1.8	4.0	
Samuel Properties	Friday	1.1	3.1	
Simpson (S.)	Thursday	1.3125	2.95	
United Wire Group	Thursday	2.2	3.55	
INTERIM FIGURES				
Hoover	Thursday‖			
Imperial Chemical Industries	Thursday‖			

* Dividends shown net pence per share and adjusted for any intervening *scrip issue.* † *Second interim dividend.* ‡ Includes a compensating dividend of 0.0275p to allow for the change in the tax rate. ¶ Special dividend of 0.1p. ‖ First quarter figures. § Total of *first and second interim* dividends. a Includes non-recurring dividend of 0.65p.

MINING NEWS

NBH runs into losses in first quarter

BY KENNETH MARSTON, MINING EDITOR

LABOUR strikes and falling prices for base metals have resulted in Australia's **North Broken Hill** mining and investment house suffering its first quarterly loss since 1975.

A loss for the March quarter of A$503,000 (£268,600) lowers the profit for the first nine months of the current year to A$19.2m, reports our Sydney correspondent.

This compares with A$26.78m in the same period of 1978-80 and the record A$48.6m earned in the full year to last June.

However, the company pointed out that there has been a considerable improvement in the price of lead recently, while *earlier this month the European* producer price of zinc was *increased by US$50 to $875* per tonne.

It added that investment income is expected to rise markedly in the current quarter. North Broken Hill shares were unchanged at 167p yesterday.

APPROVAL NEAR FOR CORNISH TIN MINE PLAN

A recommendation that the Dundonian group's plans for a £15m tin-mining venture in Cornwall should be given "in principle" approval is made in a report which will be considered by the county's planning committee on Tuesday, reports our correspondent from Bodmin.

It follows a meeting at which objections were heard regarding the mine site, which is at Redmoor just outside Callington in an area where extensive mineral working took place in the last century.

The application for the planning approval has been made in the name of Dundonian's subsidiary **South West Consolidated Minerals** which a year ago raised £2.75m through an issue of 5½m shares at 50p. They have since fallen in price to 35p.

SWCM is claiming that if its mine meets expectations it could within five years provide 650 jobs in an area where unemployment is close to twice the national average and within a decade provide 20 per cent of Britain's tin needs.

The company, however, will have to wait until the Planning Committee's June meeting before a final decision on whether it can go ahead and *for* the details of any conditions which would accompany an approval.

PALABORA CUTS FIRST INTERIM

Expecting lower earnings this year—unless there is a substantial improvement *in the copper* price—the **Rio Tinto-Zinc** group's South African **Palabora** *copper* mine is cutting its first interim for 1981 to 10 cents (5.7p).

This compares with 25 cents a year ago. That interim was followed by two further payments of 30 cents and a final of 25 cents to make a total for the year of 110 cents.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

The takeover battle for **Royal Bank of Scotland** intensified with **Standard and Chartered Bank** substantially improving its offer for Royal Bank by pitching its second bid broadly in line with that from **Hongkong and Shanghai Banking**. Standard is now offering one of its own shares, 225p nominal of subordinated floating rate notes and 220p cash for every five Royal Bank shares.

Having given the undertakings required by the Monopolies Commission, **S. & W. Berisford** renewed its bid for **British Sugar Corporation**. The new terms are £285 cash, the equivalent in loan stock 1986, or 253 new Berisford ordinary shares for every 100 British Sugar shares. The terms have been substantially raised since the initial offer in May, but, with British Sugar's shares trading above the offer price, the feeling was that the terms were still too low to gain acceptance. A key 24 per cent stake in British Sugar is held by the Government.

Philip Morris, the world's largest tobacco group, emerged as a new major shareholder in London-based **Rothmans International**. Morris paid $350m (£162m) to Rembrandt Group of South Africa for a near-30 per cent stake in Rothmans. The deal was announced after the termination of talks between Rembrandt and R. J. Reynolds, another U.S. tobacco company.

Associated British Engineering launched a surprise £1.55m bid for **Hirst and Mallinson**, the catering and pharmaceuticals group, on the basis of six ABE shares for every five Hirst. The offer has the support of Hirst's largest shareholder, Grovewood Securities, which owns 28.6 per cent.

Atlantis Resources, a Canadian-based oil and gas investment company, acquired effective control of **Le Vallonet**, a Jersey-based investment trust, with the purchase, at 45p per share, of 1.4m shares from Air Call. Atlantis Resources now controls 66 per cent of Le Vallonet and will extend a cash offer at 45p each for the outstanding shares.

On the international bids and deals scene, **Consolidated Gold Fields'** East Driefontein and West Driefontein mines are to be merged in a share exchange deal worth £1.7bn, the largest merger so far agreed in the world's mining industry while, **Nabisco**, the leading U.S. biscuit maker, and **Standard Brands**, the major international food manufacturer and distributor, are to merge in an exchange of shares worth $2bn (£914m).

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Avenue Close¶¶	89§§	85	78	10.84	Peachey Property	—
Bond Street¶¶	44*	43	34††	1.19	Auchinleck	—
Bristol Evening Post	190*‡	210	105	5.92	Associated Newspaper	—
Brit. Sugar Cpn.	285*	310	315	171.00	Berisford (S. & W.)	—
Carlton Inds.	278*	277	255	74.65	Hwkr. Siddly.	—
Centreway	132§§	116	128	1.63	Centreway Trust	27/4
Denbyware	124*§	123	74	3.73	Crown Hse.	27/4
Hwthrn. Leslie¶¶	147*§	145	107	2.31	Starwest	—
Hirst & Mallinson	34	32	30	1.76	Assoc. Brit. Eng.	—
Inveresk	35*	33	35	7.12	Georgia-Pacific	—
Le Vallonet	45*§	52	43	0.36	Atlantic Res.	—
Lloyds & Scottish	200*§	196	185	144.21	Lloyds Bank	—
London and European	49½§§	44	44††	0.58	Bardsey	—
Negretti and Zambra¶¶	25*	30	30½	0.80	Western Scientific	—
Provincial	58½	57	57½	19.07	Hawley Leis.	—
Robrtsn. Foods¶¶	186	181	97	21.68	Avana	—
Royal Bank of Scotland	208	192	168	468.41	HK and Shanghai Bank	—
Royal Bank of Scotland	214§§	192	96††	480.90	Stand. Chartered Bank	—
Ruo Estates	58*§	60	58	0.79	E. Produce and Laurie Plants.	—
St. Piran	80§	65††	65††	8.92	Burma Mines	—
St. Piran	50*§	65††	65††	4.11	Gasco Invs.	—
Savoy "A"	212½	165	125	58.84	Trusthouse	—
Savoy "B"	£12⅜	875	775	16.49	Trusthouse	—
Tunnel "B"	426§§	402	320	77.74	Ward (T.W.)	30/4
Warner Hols.	156½	147	64††	7.51	Grand Met.	—
Warner Hols. "A"	125	110	55††	4.39	Grand Met.	—
Westward TV "C"	24*	23	20	2.31	TV Sth. West	—
Wrighton	77½*	72	70	3.49	Greenbrook	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on 24/4/81. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Anchor Chemical	Dec.	224	(784)	—	(17.2)	2.38	(5.3)
Baird (William)	Dec.	8,100	(7,810)	36.3	(23.3)	13.0	(12.3)
Bentalls	Jan.	1,350	(2,250)	2.4	(4.6)	1.35	(1.35)
Barton & Sons	Dec.	763	(3,330)	2.5	(9.8)	2.4	(3.27)
Biddle Hldgs.	Dec.	1,250	(1,480)	20.4	(19.3)	9.0	(8.6)
Boustead	Dec.	2,140	(3,310)	2.2	(5.1)	1.25	(1.25)
Brit. Aerospace	Dec.	52,800	(50,300)	—	(—)	—	(—)
Callender (G. M.)	Dec.	1,202	(923)	12.0	(6.0)	2.25	(1.6)
Clive Discount	Mar.	1,030‖	(4,160)L	14.7	(—)	1.5	(2.12)
Combnd. English	Jan.	3,210	(4,010)	7.0	(7.3)	3.15	(3.15)
Concord Rotaflex	Dec.	1,240L	(296)L	—	(—)	0.1	(0.52)
Currys	Jan.	12,280	(11,900)	43.0	(39.3)	9.0	(7.5)
Danish Bacon	Jan.	285L	(2,000)	—	(47.0)	3.5	(7.5)
Delta Group	Jan.	19,500	(30,430)	6.2	(12.9)	3.64	(6.0)
De Vere Hotels	Dec.	1,240	(1,940)	7.4	(9.8)	6.0	(6.0)
Dunlop	Dec.	10,000	(34,000)	—	(1.4)	4.0	(5.3)
Elbar Industrial	Dec.	1,600L	(1,500)	—	(46.8)	2.0	(10.0)
Elec. & Ind. Secs.	Dec.	2,300	(1,920)	19.8	(16.7)	4.15	(3.75)
Fogarty (E.)	Dec.	1,550	(2,200)	14.7	(15.1)	4.02	(4.02)
Haden Carrier	Dec.	6,240	(3,780)	53.1	(26.9)	12.5	(10.0)
Harris Queensway	Dec.	6,440	(5,820)	10.9	(17.8)	6.0	(6.0)
Harrison Cowley	Dec.	924	(728)	10.5	(6.3)	3.85	(—)
Henriques (A.)	Dec.	127	(373)	2.4	(4.9)	1.5	(1.5)
Hestair	Jan.	733	(493)	3.6	(2.3)	1.0	(1.0)
Huntleigh Group	Dec.	1,150	(578)	11.3	(4.8)	1.5	(1.19)
Laporte Inds.	Dec.	11,700	(16,870)	5.5	(17.2)	7.0	(8.75)
Lawrence (W.)	Dec.	1,580	(2,220)¶	37.3	(34.4)	7.5	(7.0)
Lilleshall	Dec.	306	(404)	25.7	(15.5)	3.5	(3.5)
MDW Holdings	Dec.	1,620	(1,260)	35.8	(17.5)	4.5	(3.75)
Menzies (John)	Jan.	7,530	(6,650)	41.4	(45.2)	7.5	(6.0)
Owen Owen	Jan.	2,620	(2,580)	28.8	(19.9)	4.25	(3.7)
Perry (Harold)	Dec.	3,420	(4,930)	11.4	(19.5)	3.5	(3.5)
Rchrds. Wstgarth.	Dec.	746	(1,370)	2.3	(10.3)	2.1	(3.5)
Rowntree Mkntsh.	Dec.	31,400	(40,400)	20.9	(29.8)	7.25	(7.25)
Rush & Tomkins	Dec.	795L	(1,630)	—	(10.1)	3.75	(3.75)
Smith (W. H.)	Jan.	16,130	(18,080)	12.3	(16.7)	4.6	(4.2)
Sparrow (G. W.)	Dec.	995	(1,680)	9.5	(16.7)	2.0	(2.0)
Steel Brothers	Dec.	5,590	(5,810)	48.6	(23.8)	8.0	(8.0)
TKM	Dec.	5,520	(16,020)	5.9	(18.1)	2.39	(4.77)
Travis & Arnold	Dec.	6,530	(7,250)	39.7	(24.6)	3.94	(3.58)
Vickers	Dec.	28,600	(7,300)	34.8	(9.8)	12.0	(9.81)
Wadkin	Jan.	477L	(367)	3.1	(3.8)	3.25	(6.47)
Websters Group	Dec.	820	(705)	8.1	(7.0)	2.3	(2.1)
Wilson Connolly	Dec.	6,290	(5,450)	49.9	(24.0)	4.5	(3.63)
Wood (Arthur)	Dec.	149	(158)	5.3	(6.5)	1.0	(1.0)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Arenson (A.)	Jan.	28	(496)	0.52	(0.52)
Arlen Electrical	Dec.	291L	(119)	1.0	(1.5)
Crest Intl.	Dec.	28†	(12)‡	—	(—)
Halstead (James)	Dec.	408	(610)	0.8	(0.8)
Low (William)	Mar.	835	(929)	2.1	(2.1)
McKechnie Bros.	Jan.	4,140	(8,240)	2.0	(2.0)
Nth. Brit. Props.	Jan.	708	(616)	1.1	(1.0)
Spencer Gears	Dec.	54	(181)	0.25	(0.35)

(Figures in parentheses are for corresponding period.)
* Dividends shown net except where otherwise stated. † For nine months. ‡ For the previous year. ¶ For 18 months. ‖ Net profits. L Loss.

Scrip Issues

Cluff Oil—One for three scrip issue to all holders of ordinary and convertible "A" shares.
Currys—One for one.
Haden Carrier—One for one.
Harris Queensway—One for two.
John Menzies—One for one.
Wilson (Connolly)—One for one.

Rights Issues

Elbar Industrial—Is raising £1.9m by way of a rights issue on the basis of two for five at 150p per share.
Electrical & Industrial Securities—Is raising £2.1m by way of a rights issue on the basis of one for five at 92p per share.
Philcom—*Rights issue of 8 per cent cumulative convertible redeemable preference shars of £1 at par for every 16 ordinary shares, to raise £2.4m.*
Rowntree Mackintosh—Is raising £42m by way of a rights issue on the basis of one for four at 160p per share.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$500	10	14 A	—	—	8	70	$494.25
GOLD C	$525	20	6 A	30	30	—	—	"
GOLD C	$550	—	—	17	19.50	2	39	"
GOLD P	$475	—	—	2	19	2	29	"
		June		Sept.		Dec.		
GM C	$50	21	8¼	—	—	—	—	$57⅞
GM C	$60	3	1⅝A	—	—	3	4½	"
		April		July		Oct.		
ABN C	F.280	43	8.50	1	13	—	—	F.289.50
ABN C	F.300	—	—	13	6.70	—	—	"
AKZO C	F.15	7	8.70	—	—	—	—	F.24.20
AKZO C	F.17.50	30	6.60 A	40	7	8	7.20	"
AKZO C	F.20	170	3.90	174	4.80 B	2	5.50	"
AKZO C	F.22.50	372	1.60	334	2.80	103	4	"
AKZO C	F.25	—	—	404	1.70	353	2.60	"
AKZO P	F.22.50	—	—	3	0.60	24	0.90	"
AKZO P	F.25	—	—	30	1.40	2	2.60	"
AMRO C	F.55	7	1.40	8	2.60	—	—	F.56.50
KODA C	$70	10	11¾	5	13¾	—	—	"
KODA C	$80	1	2½	—	—	1	8¼	"
HEIN C	F.50	6	5.50	—	—	—	—	F.54.80
HEIN C	F.55	62	0.20	1	2.10	2	3.50	"
HEIN C	F.60	—	—	3	1	13	2.20	"
HEIN P	F.50	—	—	4	1.30	—	—	"
HEIN P	F.55	64	0.10	—	—	—	—	"
HEIN P	F.60	5	4.60	—	—	—	—	"
HEIN P	F.65	5	10	—	—	—	—	"
HOOG C	F.15	6	5.20	—	—	1	6.50	F.20.30
HOOG C	F.17.50	6	2.70	40	4.30	—	—	"
HOOG C	F.20	85	0.30	20	2.80	203	3.20	"
IBM C	$60	64	⅛	—	—	3	5⅛	$60⅞
IBM C	$65	—	—	10	1⅞	—	—	"
KLM C	F.60	14	67.50B	—	—	—	—	F.126.50
KLM C	F.70	11	57.50A	1	58	—	—	"
KLM C	F.80	9	47.50	86	47.20	10	47	"
KLM C	F.90	25	37.50	61	39	10	40	"
KLM C	F.100	67	27.50	126	30	3	31B	"
KLM C	F.110	94	17.50B	197	23	26	25	"
KLM C	F.120	—	—	147	16.70 A	2	20	"
KLM C	F.130	—	—	387	10.50	68	13.50	"
KLM P	F.90	—	—	73	1	21	3	"
KLM P	F.100	—	—	99	2.40	19	6	"
KLM P	F.110	—	—	58	4.70	16	10	"
KLM P	F.120	—	—	38	9.20	7	13	"
KLM P	F.130	—	—	37	15	54	15.50	"
NATN C	F.110	—	—	1	11	—	—	F.120
NATN C	F.115	1	4.60	—	—	—	—	"
NATN C	F.120	159	0.30	1	4.90	—	—	"
NATN C	F.125	—	—	16	2.70	2	4.40	"
NATN C	F.130	—	—	2	1.40	—	—	"
NATN P	F.120	8	0.50	2	4.50	—	—	"
PHIL C	F.15	109	6.30	5	6.30	—	—	F.21.30
PHIL C	F.17.50	271	3.70	529	4.10	25	4.20	"
PHIL C	F.20	884	1.20	238	1.90 A	324	2.20	"
PHIL C	F.22.50	—	—	120	0.90	756	1.10	"
PHIL P	F.20	—	—	15	0.70	70	0.80	"
PHIL P	F.22.50	—	—	—	—	5	1.80	"

TOTAL VOLUME IN CONTRACTS 11327

A=Asked B=Bid C=Call P=Put

Dares Estates setback

WITH SECOND half results adversely affected by difficulties in the housebuilding industry, full-year 1980 taxable profits of **Dares Estates**, property holder and builder, fell from £604,000 to £347,695. Turnover was also down from £5.51m to £4.86m.

Profit at halfway was £75,000 (£164,460).

Although there were greater surpluses, for the year, on the sale of investment properties—£384,608 against £263,190 including redemption of debenture and loan stocks—increased charges in the housebuilding sector resulted in a loss of £36,913 (£341,334 profit) at the trading level.

Current trading is encouraging, the directors state, and if the present trend continues, a return to former levels of profitability is envisaged for 1981.

The dividend for the year is maintained at 1.13p net per 10p share although the final payment is down slightly at 0.63p (0.68p).

The attributable balance came through at £230,213 (£556,006), *giving earnings of 1.52p (5.6p)* per share, after tax of £27,219 (£26,102 relief) and a £90,263 (£74,620) charge on the sale of investments profits.

There was an *extraordinary* debit of £116,868 for the period which is covered by a transfer from reserves.

A revaluation of properties, as at March 31, shows a £1.5m surplus over book value equivalent to 6p.

Beauford omits final

After providing for closure costs and terminal losses of a U.S. subsidiary amounting to £594,076 and taking in a tax *credit of £247,747, compared with* a charge of £240,472, the **Beauford Group** fell into the red for 1980 incurring a loss of £309,140, against a profit of £366,863.

Excluding the U.S. company the directors say there was a pre-tax profit of £352,581. However, they are omitting the final dividend which leaves the year's payout at 0.7p net (4.15p). It is anticipated that the company will pay a dividend for the current year.

Sales of the group, which manufactures heavy machine tools and plant and spares for *steel and other industries*, were marginally lower at £5.82m (£5.94m).

Profits mid year slipped from *£339,265 to £214,574.*

Profits up at Flight Refuelling

TAXABLE *profits of Flight* Refuelling (Holdings) for 1980 improved from £2.48m to £2.91m on turnover which rose to £19.05m, compared with £15.85m. At the interim stage earnings advanced by £286,000 to £1.46m and the directors anticipated a similar upturn for the second six months.

The total dividend is being increased from an equivalent 2.07p to 2.55p net, after allowing *for the one-for-two scrip issue*, with a final of 1.6p (1.3p adjusted).

After a reduced tax charge of *£127,000 (£930,000)* the net balance emerged at £2.79m (£1.47m) with stated earnings per 25p share at 22.11p (11.68p). Retained profits were £2.47m (£1.21m).

Current cost accounting reduces the pre-tax figure to £1.91m (£1.6m).

The group manufactures specialised equipment for aircraft, nuclear and electronic industries.

Ultramar expansion plans

THE CURRENT year is expected to be another successful one for Ultramar Company, oil and gas exploration and refining group, Mr. Lloyd Bensen, chief executive officer of operating companies, tells shareholders in the annual report. But he warns that it may be difficult to surpass the pre-tax profit achieved in 1980 which, as known, grew to a record £126.3m compared with £75.4m in the previous year.

The group has initiated a major capital expenditure programme to expand the scale of activities and provide the basis *for new earnings by the mid* 1980s. It is already involved in construction and has now made a major move into shipping, he states.

Auditors Arthur Young and Co. have drawn attention to the group's failure to comply with SSAP 8; which requires that unrelieved advance corporation tax be included as part of the tax charge for the year.

Ultramar includes the unrelieved portion of ACT as part of the cost of dividends, and the directors point out that since almost all the group's profits are generated abroad, no ACT relief is available. Compliance with SSAP 8 would increase the tax charge for 1980 by £5.1m, resulting in a distorted presentation of earnings, they add.

Shareholders' funds at the end of 1980 had grown from £148.4m to £196.9m. Long-term loans amounted to £43.9m (£77.2m) and cash and short-term deposits were up from £9.3m to £60.6m.

Current cost adjustments reduce the year's profit before tax to £121.4m against £73.7m.

Meeting, Great Eastern Hotel, London, EC, May 29 at 11 am.

Bremner slightly behind

DESPITE a second-half lift from £350,427 to £370,302, taxable profits of **Bremner and Co.**, general warehouseman, finished the January 31, 1981, year behind at £544,964, against £568,202. Results included interest received of £168,238 compared with £144,739.

The dividend is maintained at 4.3p net per 25p share with a same-again final payment of 3.15p.

The total distribution will absorb £237,360 (same) out of an available balance of £294,289 *(£279,000) — tax charge* was £250,675 (£289,202).

At midway the directors said that trading conditions continued to be difficult

HEATHCOAT LEAPS BACK INTO BLACK

Textile manufacturers **John Heathcoat and Co.** returned to the black with 1980 pre-tax profits of £118,800 compared with a loss last time of £28,300. But the dividend has again been omitted.

Turnover was up from £17.49m to £17.61m, and there was a tax credit this time of £42,200 against a charge of £51,200.

SPAIN

April 24	Price %	+ or −
Banco Bilbao	304	
Banco Central	346	
Banco Exterior	269	
Banco Hispano	307	+5
Banco Ind. Cat	124	
Banco Santander	332	+1
Banco Urquijo	183	+3
Banco Vizcaya	319	
Banco Zaragoza	214	
Dragados	140	
Espanola Zinc	75	
Fecsa	61.2	+1
Gal. Preciados	28.0	
Hidrola	65.7	+0.7
Iberduero	56.0	+0.3
Petroleos	101.7	+4.7
Petroliber	86.0	
Sogefisa	81.0	
Telefonica	61.0	
Union Elect.	65.0	+0.3

CORAL INDEX
Close 583-588 (+3)

WORLD STOCK MARKETS

Wall St. mixed in active trade

A MIXED TREND prevailed in active trading on Wall Street yesterday, when the outlook for interest rates and the economy remained clouded.

By mid-day, the Dow Jones Industrial Average was off 1.44 at 1008.82, reducing its rise on the week to 3.24, while the NYSE All Common Index, at $77.32, was down 6 cents on the day and 44 cents on the week. Advances edged declines by a small margin in a volume of 35.57m shares.

Some interest-rate-sensitive issues firmed, however, after Manufacturers Hanover chairman John McGillicuddy forecast the Prime rate would fall to 15 per cent by late spring. Major Banks current charge 17½ per cent.

Analysts cited concern about chances for a tax cut in view of the wide differences between Congress and President Reagan on tax policy.

Some Utility and Financial issues firmed. Volume leader Citicorp rose $1½ to $26. Bankamerica $¾ to $25⅞. J. P. Morgan *$⅞ to $53⅞. Sears Roebuck $⅜ to* $20½, International Telephone $1½ to $34 and American Telephone $¾ to $55½.

MGIC gained $1⅞ to $3⅞ and Financial Federation $1 to $29⅞.

Some Blue Chip and High Technology issues eased, but some Oils firmed.

General Motors lost $⅞ to $56¼. Du Pont $⅞ to $48⅞. Computervision $2⅞ to $92¼.

Exxon added $⅞ at $66½. Gulf Oil $⅜ at $32¾ and Schlumberger $1⅞ at $93⅞.

Dun and Bradstreet moved up $1⅞ to $67⅞ on major growth plans.

Sullair climbed $3⅞ to $50¼—it plans major changes on its Board of directors.

Tosco fell $1 to $20½ — it reported a first-quarter loss but said results would improve in the rest of the year.

THE AMERICAN SE Market Value index lost 1.83 to 358.74, making a decline of 6.68 on the week.

Canada

Markets were lower in active trading yesterday, when the Toronto Composite Index was off 2.3 at 2,348.1.

The Metals and Minerals Index declined 9.8 to 2,360.6 and *Oil and Gas 22.0 to 4,487.5, but* Golds put on 11.0 to 4,312.8.

Germany

Leading shares closed firmer after a nervous start, which reflected news metalworkers in the State of Hesse had rejected a pay agreement.

There was a decline in the first half session, but Foreign demand appeared in the second half, pushing the Commerzbank Index up to a new year's high of 725.60.

Commerzbank advanced DM 4 *to 137 while, in higher Motors,* BMW gained DM 1.50 after it announced higher 1980 net profits and said it will maintain its DM 10 dividend.

Paris

Share prices firmed in moderate trading with some Foreign buying apparent, notably from Switzerland.

Market observers said investors had been encouraged by remarks made by Yves Flornoy, head of the Stockbrokers' Association, to the effect that a substantial inflow of foreign orders *was partly responsible for the* good performance of the Bourse in the last few days.

Foods, Motors and Constructions were firm, as were Engineerings where Poclain rose FFr 4 to *FFr 197.0 on higher 1980 net profit.*

Amsterdam

Prices continued their across-*the-board climb in active trading,* with the ANP-CBS General Stock Index posting a 1981 high at 92.4.

Internationals, which had lagged behind for most of the week, also showed advances with Royal Dutch/Shell rising Fl 2 on the *strength of* a firmer U.S. dollar rate and higher prices for Oil Funds in London.

Banks and Insurances were steady to higher, while Transportations, Trading shares and Industrials posted generally higher prices.

Constructor Boskalis added Fl 1.5 — it is expecting to maintain its profit level.

Elsevier lost Fl 6.30 ex its Fl 8.75 dividend. Nedlloyd put on Fl 1 — it almost doubled 1980 profits.

Switzerland

Prices were steady as high interest rates kept investors to the sidelines in quiet Settlement trading.

Major banks firmed and, among otherwise little changed Financials, Moevenpick Bearer posted a strong gain.

Insurances edged higher, led by Zurich Insurance, up Frs 100, after its annual results and proposed unchanged dividend.

Nestle dipped Frs 35 after its results. Ciba-Geigy Bearer and Participation Certificate each gained ahead of the results expected today.

Foreign Bonds fell following the increase in Time Deposit rates announced by four major Swiss Banks after Thursday's *close, while less active Domestic* Bonds were barely changed.

Milan

Selectively firmer in active trading.

Australia

Prices closed on a weaker note as sellers tightened their grip on the Oil sector and took selective profits in Industrials.

BHP shed 5 cents to A$14.60 amid speculation that the Alumax Group was about to announce its intention to pull *out of the Lochinvar aluminium* smelter project, in which BHP has a 35 per cent stake.

Woolworth proved among the stronger non-Mining issues, rising 6 cents to a year's closing high of $A2.36 on demand from both overseas and local buyers.

Crusader lost 20 cents to $A6.70 seller, Vamgas and Hartogen 40 cents each to A$8.20 and A$9.30 respectively and Bridge also lost 40 cents to A$7.

Heavy selling in Woodside took it back 10 cents to A$2.55, at A$8.20 as were Basin at A$2.40.

Hong Kong

Sharply higher for the second day on investor belief the market is currently oversold, the Hang Seng Index gained 53.45 to close 1,428.3.

Dealers said buying had been spurred partly by interest in Hong Kong stocks in London and partly by fundamentals affecting overseas and local markets. *There was also some speculative* buying ahead of the long weekend.

Tokyo

Higher in moderate trading, as "Large-capital" and Energy stocks which had been declining in the past few sessions reversed their direction after a slow start in the morning, and ended the day better.

Brokers said that "Large-capital" and Energy stocks stopped declining in the afternoon and this helped investors to move to the buying side.

Defence-related issues were also responsible for the Index's 10.61 gain ahead of Prime Minister Zenko Suzuki's visit to the U.S. next month, because the U.S. might ask Japan to strengthen its defence capability, sources said.

Singapore

Firm on late buying interest, partly influenced by a higher Hong Kong market.

Far East Levingston Shipbuilding, Jurong Cement, Industrial and Commercial Bank and Hong Leong Credit each rose between 38 and 95 cents.

Johannesburg

Gold shares quietly mixed to *easier, despite the slightly* firmer bullion price.

Closing prices for North America were not available for this edition.

NEW YORK

[illegible]

CANADA

Stock	April 23	April 22
Abitibi	26	26½
Agnico Eagle	13⅛	13⅜
Alcan Alumin	43	43¾
Algoma Steel	48½	48⅝
Asbestos	42⅛	42¼
[illegible]	[illegible]	[illegible]

BELGIUM (continued)

April 24	Price Frs.	+ or —
Petrofina	4,460	+5
Royale Belge	4,230	......
Soc Gen Banq.	2,080	+25
Soc Gen Belge	1,062	+6
Sofina	2,820	−75
Solvay	2,205	−85
[illegible]	[illegible]	[illegible]

HOLLAND

April 24	Price Fls.	+ or —
ACF Holding	89	+1
Ahold	69.2	+0.1
AKZO	24.2	+0.6
ABN	288.5	+1.5
AMEV	91.4	−0.1
AMRO	55.6	+0.1
[illegible]	[illegible]	[illegible]

AUSTRALIA

April 24	Price Aust. $	+ or —
ANZ Group	4.60	−0.05
Acrow Aust	1.25	......
Allstate Expl	1.05	......
Ampol Pet	1.92	+0.07
Assoc. Pulp Pap.	2.45	......
Aud'mco	0.20	+0.01
Aust. Cons. Ind.	2.13	+0.01
[illegible]	[illegible]	[illegible]

JAPAN (continued)

April 24	Price Yen	+ or —
Kubota	350	−2
Kumgaai	366	−1
Kyoto Ceramic	3,660	+110
Lion	416	......
Maeda Cons.	568	......
Makita	910	+4
Marubeni	372	......
Marudai	660	−5
[illegible]	[illegible]	[illegible]

Indices

[illegible]

هكذا من الأصل

Bankers' group attacks Amex-Shearson merger

BY DAVID LASCELLES IN NEW YORK

THE BID by American Express for Shearson Loeb Rhoades, the large Wall Street broker, at a price of $800m plus, will have to travel a rocky road before it is completed.

It emerged yesterday that a group of independent bankers has asked the Attorney General to stop the merger because it said, it is illegal.

The Independent Bankers Association alleges that by proposing to combine features of both commercial and investment banking, the merger would violate the Glass-Steagall Act of 1933, which specifically bars institutions from pursuing both kinds of business. The services planned by Amex-Shearson, the Association says, are the "functional equivalent of commercial banking." The banks are particularly concerned about the growth of so-called "cash management accounts" which combine the advantages of both stockbroking and bank accounts.

In the longer run, the banks may use the recent trend in financial mergers to press for reform of the Glass-Steagall Act to allow them to perform more investment banking functions.

The merger will also have to be reviewed by the anti-trust authorities, either the Justice Department or the Federal Trade Commission. However, the Reagan Administration's position on anti-trust has not yet been fully formulated, and it is not known how rigorously the anti-trust laws are to be applied.

Feature, Page 20

Boustead Group shows asset growth

By Wong Sulong in Kuala Lumpur

THE BOUSTEAD GROUP of companies in Malaysia and Singapore have reported a moderate improvement of earnings, but recent revaluations have thrown up large surpluses on their assets.

Malaysian-based Boustead Holdings Berhad's pre-tax profit for the year ended December was only 3 per cent higher at 24.1m ringgit ($10.39m) while its plantation subsidiary, Malakoff, in which it has a 55 per cent stake, showed pre-tax earnings up 4 per cent at 12m ringgit.

Singapore-based Boustead, however, reported a slightly better year, with pre-tax earnings rising by 8.6 per cent to S$9m (U.S.$4.25m).

In their revaluation of assets, Boustead Berhad reported a surplus of 61m ringgit, Malakoff registered a surplus of 54m ringgit, and Bousteadco's assets increased by S$10.6m. These amounts have been credited to their capital reserves.

Competitive pressures hit Aetna first quarter profits

BY OUR NEW YORK STAFF

AETNA LIFE and Casualty, the largest U.S. non-mutual insurance company, yesterday reported, as expected, a sharp drop in first quarter operating earnings because of severe competitive pressures in the insurance market.

Aetna said at the end of March that things had got so bad that it would have to increase premiums, even at the risk of losing market share in order to stop the decline. The U.S. insurance industry is currently going through one of the cyclical troughs it runs into every five years or so.

Profits reported yesterday were $96.5m or $1.20 a share, down 25 per cent on the $122.7m, or $1.52m earned in the first quarter of last year. This reduced earnings for the 12 months ending March 31 from $559.3m or $6.93 in 1980 to $482.1m or $5.99 in 1981.

Mr. John Filer, chairman, said the "very unsatisfactory results" in the property and casualty business reflected intense price competition in the industry.

He said Aetna was going ahead with its plans for a "more realistic pricing policy," and proclaimed himself encouraged by the response he had received both from the company's agents and the State Insurance Commissioners who have to approve premium increases.

Earnings in other major areas of Aetna's business were "satisfactory," Mr. Filer said.

Ciba-Geigy sees Ilford losses ending by 1984

BY OUR ZURICH CORRESPONDENT

CIBA-GEIGY, the Swiss chemical concern, expects that it will be another three years before its Ilford photographic division returns to profit. Even then, "no spectacular success" is awaited, the group explained to a press conference in Basle.

Last year the division showed a loss of about SwFr 50m ($25.25m) against SWFr 66m in 1979. The impact of this, combined with Ciba's inflation-linked depreciation policy, reduced group earnings for 1980 by 7 per cent to SwFr 305m.

Reorganisation costs at Ilford, which came to SwFr 39m in 1980, are expected to amount to a further SwFr 185m in the period 1981-83. The re-structuring of the UK photographic division together with those in France and Switzerland forms part of Ciba's programme to "adjust to a new business environment."

Ciba also plans certain divestments in the U.S., where earnings have recently been below expectations.

In the first quarter of 1981 group sales reached SwFr 4.08bn, a rise of 17 per cent or 10 per cent.

Nestle expects earnings to recover

By John Wicks in Zurich

A GOOD recovery is expected for 1981 by Nestle, the Swiss foods group which suffered a sharp setback to profits last years as a result of heavy losses in Argentina.

First quarter sales are 18 percent ahead, Nestle said at its annual Press conference. Profits for the whole of the year should be close to SwFr 900m—the level they would have reached last year but for Argentina—against the SwFr 683m attained in 1980 and the Sw Fr 816m of 1979.

The immediate deficit in Argentina amounts to SwFr 100m, but the company has made provisions for a further SwFr 100m of losses.

Last year group operating margins fell from 9 per cent to 8.4 per cent and net profit as a percentage of turnover dwindled to 2.8 per cent. Nestle said its operating margin ought to be above 9 per cent and the net profit margin target was 5 per cent, though this could not be attained given present trading conditions.

"The events of 1980 have been a severe lesson to us," according to Mr. Pierre Liotard-Vogt, chairman. Business was also affected "by other crises of varying magnitude" other than that in Argentina. To counter these, a number of divestments and closures were carried out and the number of Nestle plants declined from 317 to 309 during 1980.

In the U.S., Libby, McNeill and Libby remained a "problem child." Work continued on a re-organisation of the canned-food specialist, which has been losing money for some years, and some Libby operations were disposed of in 1980.

Nestle no longer considered it realistic to aim for a North American turnover of 30 per cent of group turnover. Last year, North America accounted for only 18.3 per cent of total sales, compared with a European stake of 46.3 per cent. Latin America and the Caribbean 16.1 per cent, 12.1 per cent in Africa.

DEMAND BY OVERSEAS INVESTORS

Japanese security houses advance

BY RICHARD C. HANSON IN TOKYO

JAPAN'S top four securities companies reported strong advances in the half-year ended March 31, boosted in part by a surge in orders from foreign investors and strong performances in the stock and bond markets.

Nomura Securities, the largest of the four, said its net profit rose 24.6 per cent to Y19.3bn ($89.76m) from the comparable half last year. Turnover was up 25.7 per cent to Y125.4bn.

Daiwa's net profit jumped 113 per cent to Y9bn. Nikko Securities reported a rise of 19 per cent to Y9.2bn and Yamaichi's was up 60.7 per cent to Y6.57bn.

The most striking improvement during the half year was in profits from bond transactions, which nearly matched or exceeded those for the full year ended September, 1980. Improved margins contributed to the gains and profits from equities were also brisk.

Brokerage fees were particularly strong in March, when the Tokyo Stock Exchange trading volumes soared, shrugging off a bout of caution brought on by the collapse of an extensive stock speculation scheme in February.

Underlying the good performance by the securities companies was a remarkable increase in orders from foreign investors. A good deal of such investment represented oil money being channelled into Japanese portfolios. But there was also a surge in interest in Japanese securities from institution investors in both Europe and the U.S.

The stock market this week again brushed close to the all-time high of 7,536.96 reached on April 13. Yesterday the Nikkei-Dow Jones market average stood at 7,534.41, up 10.69 on the day.

With the stock market still surging ahead, the securities industry expects profits to continue strong. The outlook for the Japanese economy, and corporate profits, has improved over the past few months, helped by three cuts in the official discount rate since last summer.

The latest reduction, by one percentage point to 6.25 per cent, was in March, and there is considerable speculation that a further reduction may come later this year.

● The Tokyo Stock Exchange said in a report yesterday that foreign shareholding now exceeded 25 per cent in 46 Japanese companies. The report, based on a survey of all the 1,406 companies listed on the exchange, also showed that foreign equity exceeded 20 per cent in 72 companies. Net foreign investment this month is expected to exceed $1bn, up from about $600m in March.

Bell 'must proceed' with Elder bid

By Our Sydney Correspondent

IN A SURPRISE decision the South Australian Government has blocked the withdrawal by Bell Group from its takeover bid for Elder Smith Goldsborough Mort, the diversified industrial and pastoral group.

Bell Group withdrew from the takeover battle after it had built up a 19.9 per cent stake in Elder in March. It sold the stake at a profit of A$16.5m (U.S.$19m) and merger terms were agreed between Elder Smith and Henry Jones (IXL), the food group, helped by Carlton and United Breweries, which holds 33 per cent of Jones. It was CUB that agreed to buy the Bell stake in Elder.

Mr. Robert Holmes A'Court, chairman of Bell Group, will apply to the South Australian Supreme Court for an order allowing the withdrawal of the takeover bid. If this is unsuccessful, Mr. Holmes A'Court said that he will renew his partial takeover bid for Elder.

Under South Australia's new company takeovers act, Bell had to seek the government's exemption from the act's requirement that a bid be made within two months.

Mr. William Griffin, the South Australia Attorney General, said yesterday that "after considering all relevant information before me, I concluded that it was not appropriate to grant this exemption."

His formal announcement pointed out that it is an offence to fail to proceed with an announced bid.

Hong Kong Electric lifts income by 38%

BY ADRIAN BOVEN IN HONG KONG

THE HONG KONG Electric Company, which supplies electricity to Hong Kong Island, reported after-tax profits for 1980 of HK$379.5m (US$70.8m), up 38 per cent from HK$274.4m in 1979.

The utility also reported an extraordinary profit of HK$815.3m from the sale of two properties last year to a joint venture with Cheung Kong Holdings, Wheelock Marden and several other prominent property developers.

The profits were higher than permitted under a profit control scheme imposed on the company by the Hong Kong Government so the utility transferred HK$4.1m to a special development fund. Money in the fund is not included in shareholders' funds but it can be drawn down when profits fall below the permitted level.

The final dividend was set at 18 cents a share, making a total for the year of 29 cents a share, up 32 per cent from 1979. Shareholders will also receive a two-for-five bonus issue. The directors said prospects for 1981 are excellent and predicted that dividends per share will be maintained at the 1980 level.

The directors made no comment on the 1980 performance but the utility benefited from an 11 per cent increase in electricity consumption, the completion of the first phase of a large residential project and interest income on the proceeds of a HK$785m rights issue.

Nedlloyd raises dividend

BY CHARLES BATCHELOR IN AMSTERDAM

NEDLLOYD, the Dutch shipping line, has doubled 1980 net profits and proposes a sharp increase in dividend. Prospects for this year are good and a further slight improvement in profits is expected.

Net profit increased in line with expectations to Fl 127.1m ($53m) from Fl 64.1m on turnover which was 18 per cent higher at Fl 3.03bn. Operating profit rose 83 per cent to Fl 208.7m. Nedlloyd proposes raising its dividend to Fl 12 per share from Fl 8.

The company made Fl 18.3m of profits on the sale of assets compared with Fl 13m the year before and reduced its losses on extraordinary items to Fl 3.1m from Fl 15.7m.

Nedlloyd's share in the profit of minority holdings fell by 30 per cent to Fl 26.5m. The net interest charge rose 6 per cent to Fl 75.1m, while tax quadrupled to Fl 44m.

One uncertain factor for Nedlloyd in 1981, which was not mentioned in the company's brief profit statement, will be the performance of the KNSM shipping line, which Nedlloyd has acquired.

Bathurst helped by Abitibi sale

By Our Financial Staff

CONSOLIDATED - BATHURST, the Canadian forest products group controlled by Power Corporation, earned C$38.5m (US$32m) or C$1.68 a share in the first quarter, compared with C$31.4m or C$1.39 a share 12 months ago.

The board said that this year's net included a C$12.3m gain on the sale of the group's investment in Abitibi-Price, which was taken over last month by Olympia and York Investments of Toronto, the Reichmann-owned property group.

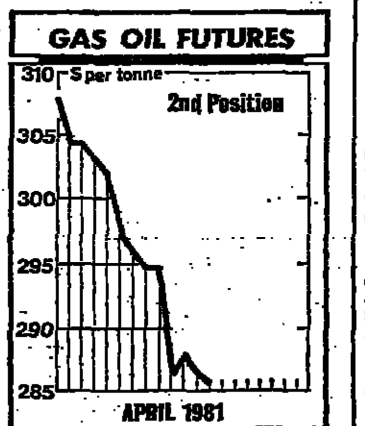
Capital spending will total about C$170m in 1981 against C$143m last year.

Noranda Mines said in Toronto yesterday that its offer of C$62 per share for 8.9m shares, or 49.8 per cent of MacMillan Bloedel had been oversubscribed. It refused to say how many shares had been tendered.

COMMODITIES/REVIEW OF THE WEEK

Supply glut hits gas oil prices

BY OUR COMMODITIES STAFF



GAS OIL futures slumped this week on the London market reflecting the worldwide glut of crude oil and oil products, exacerbated by weak demand for heating oil during the mild winter in the main consuming areas.

The July position on the London futures market last night closed at $285.625 a tonne, over $9 down on a week ago and nearly $25 lower than the peak reached when the market started trading on April 6.

However, an encouraging feature was that turnover on the market was sustained at a high level despite the decline in prices.

Tin prices also came under renewed pressure this week. Cash tin on the London Metal Exchange ended the afternoon session at £5,927.5 a tonne, £155 down on the week. In late kerb trading the market lost further ground. In Penang the Straits tin price on Thursday night fell to $30.05 Malaysian dollars a kilo, only five cents above the lower price range of the International Tin Agreement when the buffer stock is entitled to start support buying.

Three leading tin producing countries—Malaysia, Indonesia and Thailand—are meeting in Kuala Lumpur this week to discuss ways of halting the fall in prices and how to break the deadlock holding up negotiations for a new international tin pact.

Free market Aluminium prices were driven down to new lows, as a result of continuing poor demand and rising stocks. Cash aluminium on the Metal Exchange was £32.5 down on the week at £604.25 a tonne.

Copper prices moved slightly higher, pushed up by the start of a strike by workers at the big El Teniente mine in Chile and the threat of a strike by Peruvian copper workers being called this weekend. El Teniente is the world's largest underground copper mine and produces around 25 per cent of total output in Chile, the world's leading copper exporter. However the rise in copper was restrained by forecasts of a further increase in U.S. interest rates.

Cocoa futures fell heavily, despite being boosted at the beginning of the week by a rise of 44 per cent in U.S. grindings during the first quarter of 1981 —a much bigger increase than expected.

The market, however, came under increasing pressure especially yesterday from reports of consistent selling by leading producing countries (Brazil, Ivory Coast and Ghana) and predictions that Nigeria still had a large quantity to sell.

On the future market July cocoa ended the week £41 lower at £956.5 a tonne losing £20 yesterday.

In contrast the world sugar market staged a recovery this week. The London daily sugar price gained £10 to £200 a tonne, after dipping to a new low of £185 on Tuesday. The August position on the futures market rose by nearly £13 on a week ago to £205.175 a tonne.

The rally was viewed as mainly a technical reaction in a market that had become somewhat oversold during the recent sharp decline.

Merino wool prices continued their steady upward climb. The Bradford wooltops quotation gained a further 3p this week to 328p a kilo—the highest level since 1976. Reduced supplies in Australia has been the main influence behind the rise in prices and the drought there in the past few months is expected to cut the clip still further.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1981 High	1981 Low
METALS					
Aluminium	£810/815	—	£810/815	£810/815	£780/70
Free Markets c.i.f.	$1350/1380	—30	$1,890/1,920	$1600/1550	$1350/1380
Antimony					
Free Market 99.6%	$2950/3050	—	$3400/3460	$3200/3260	$2950/3050
Copper Cash Wire Bars	£845.75	+15.25	£952	£856	£756
3 months Do. Do.	£865.75	+16.25	£973	£877.25	£777.5
Cash Cathodes	£837	+13.75	£924	£848	£748.5
3 months Do.	£853.5	+15.75	£954	£865	£765.5
Gold per oz.	$495.5	+13.0	$550.5	$601	$463.5
Lead Cash	£353.5	+9.25	£413.5	£357.5	£273.75
3 months	£360.25	+10	£410.75	£364.75	£285.25
Nickel	£3,379.50	—	£3,477	£3,379.5	£3,156
Free Market c.i.f. lb.	290/305c	—	275/305c	290/310c	270/290c
	£213.50	—	£189/193	£213.50	£202
Platinum per oz.	£223.60p	+5.85	£268.95	£243.40	£185.60
Free Market per oz					
Quicksilver (76lbs.)	$420/430	+7.5	$400/410	$420/430	$355/365
Silver per oz	525.50p	+9.95	679.20p	671.20p	506.50p
3 months per oz	541.15p	+10.65	701.20p	695.70p	521.40p
Tin cash	£5,927.5	—155	£7,692.5	£6,425	£5,700
3 months	£6,040	—102.5	£7,595	£6,407.5	£5,865.5
Tungsten Ind.	$147.54	—0.1	$140.73	$149.08	$140.56
Wolfram (22.04 lb).	$144.5/147.5		$140/145	$151/155	$143/146
Zinc cash	£380.5	+1.25	£312	£391.5	£306.5
3 months	£390.75	+0.5	£321	£402.5	£318.25
Producers	$875	—	$825	$875	$823
GRAINS					
Barley					
Home Futures	£95.75w	—	£91.10	£102.80	£95.75
Maize					
French	£127.5	+2	‡	£127.5	£119.75
WHEAT					
No. 1 Red Spring			‡	‡	‡
Am. Hard Winter	£106.75	—		£112.5	£102.0
Eng. Milling (new crop)	‡			‡	‡
SPICES					
Cloves (g)	£4,500y	—	£4,175	£4,500	£3,800
Pepper, white	$2,027y	+27	$2,500	$2,027	$2,000
black	$1,425	—	$1,700	$1,650	$1,425
OILS					
Coconut (Philipines)	$565y	+35	$617.50	$640	$525
Groundnut 5%	‡	—			‡
Linseed, Crude	£405	—	£395	$460	£400
Palm Malayan	$592.5v	—	$605	$645	$560
SEEDS					
Copra (Philipines)	$390	+15	$395	$430	$350
Soyabeans (U.S.)	$322.5	—	$265.5	$340	$298
OTHER COMMODITIES					
Cocoa Shipment	£1,052	—6	£1,321	£1,091	£915
Cocoa Futures July	£956.5	—41	£1,280.5	£997.5	£850.5
Coffee Futures July	£1,074	+5	£1,667.5	£1,070.5	£985.5
Cotton Index	87.80c	—0.35	89.70c	101.15c	87.80c
Des Coconut	£680	—	£715	£650	£640
Jute LJ ABW C grade	£214y	—	£285	£221	£219
Rubber kilo	54p	+1.5	64p	59.25p	51.5p
Sago Pear	£810y	—	£204	£210	£197
Sisal No. 1	$730	—	$885	$780	$780
Sugar (Raw)	£200	+10	£244	£315	£185
Tapioca No. 1	£215y	—	£202	£215	£207
Tea (quality) kilo	‡	—	158p	‡	‡
(plain) kilo	‡	—	59p	‡	‡
Wooltops, 64s Warp	328p kilo	+3	294p kilo	328p kilo	294p kilo

Unquoted. (g) Madagascar. (y) April/May. (x) March/April. (z) June. (w) Sept. (v) May. * Nominal.

BASE METALS

COPPER—Edged higher on the London Metal Exchange reflecting the rise in gold. Three months opened at £862.5 and gradually moved up to touch £867 before closing the late kerb at £865.5. Turnover: 2275 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	843.5-4	+9.5	845.5-6	+7.25
3 months	864-.5	+9	865.5-6	+5.5
Settlem't	844	+9.5	—	.....
Cathodes				
Cash	838-9	+10.7	836-8	+6.5
3 months	852-4	+8.75	853-4	+5.25
Settlem't	839	+11	—	.....
U.S. Prod.	—		*83.6-87	.....

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £844.5, 44, 43.5, 44; three months £864, 64.5, 65, 65.5, 66, 65.5, 65, 64.5, 64, 64.5. Cathodes: cash, £838. Kerb: Wirebars, three months £864.5, 64, 64.5. Afternoon: Wirebars, cash £846: three months £866, 67, 66.5, 67, 66.5, 66. Kerb: Wirebars: three months £865, 66, 65.5, 66, 65, 65.5, 65.

TIN—Easier. Forward metal opened at £6080 but quickly ran into heavy hedge selling and general selling which pared the price to £6065 in the morning rings. Afternoon trading saw three months ease further to £6050 before a wave of fresh heavy selling on the late kerb depressed the market to £6010. This level attracted short covering, however, and forward material closed at £6010. Turnover: 1145 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	5970-5	+7.5	5920-35	-32.5
3 months	6065-70	+12.5	6035-45	-17.5
Settlem't	5975	+5	—	.....
Standard				
Cash	5970-5	+7.5	5920-35	-32.5
3 months	6065-70	+12.5	6035-45	-17.5
Settlem't	5975	+5	—	.....
Straits E.	$30.05	-0.26	—	.....
New York	—	.....		

Morning: Standard, cash £5970; three months £6085, 80, 70. Kerb: Standard, three months £6065, 70, 65. Afternoon: Standard, three months £6060, 70, 60, 52, 50, 40. Kerb: Standard, three months £6045, 40, 30, 10, 6000, 05, 10.

LEAD—Steady as American hedge selling was well met by trade buying interest. Forward metal moved narrowly throughout the day prior to closing the late kerb at £359.5. Turnover 6775 tonnes.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	354-5	+2.87	353-4	+2.25
3 months	360-1	+1.25	360-.5	+1.5
Settlem't	355	+5.25	—	.....
U.S. Spot	—	.....	*36-8	.....

Morning: Cash £355, 54.5; three months £360, 60.5. Kerb: Three months £360. Afternoon: Three months £360, 61, 60.5. Kerb: Three months £360, 59, 59.5.

ZINC—Lost ground on profit-taking. Forward metal opened at £393 and quickly fell away to £387 before recovering to just below £390 on the morning kerb. The recovery gathered momentum in late afternoon trading when heavy short covering prompted a close of £394, after £395.5. Turnover; 6200 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	379-.5	-4	380-1	-1.75
3 months	389.5-.7	-4.82	390.5-1	-2.5
S'ment	379.5	-4	—	.....
Primw'ts	—	.....	*43.5	.....

Morning: Cash £379.5; three months £389, 89.5, 89.75, 89.5. Kerb: Three months £389.5. Afternoon: Three months £389.5, 90, 91. Kerb: Three months £391, 92, 93, 92, 93, 94, 95, 95.5, 95, 94.

ALUMINIUM—Down again as renewed general selling in a thin market saw forward metal fall from £632.5 to £620 on the morning kerb. In the afternoon the price recovered to close the late kerb at £624.5 reflecting the decline in sterling. Turnover: 10150 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
	£	£	£	£
Spot	605-.5	-11.2	604-.5	-6.75
3 months	624.5-5.5	-9.25	623.5-4	-6.5

Morning: Cash £603, 5.5; three months £632.5, 32, 32, 31, 28, 27, 26, 25. Kerb: Three months £625, 24, 23, 22, 21, 20, 21. Afternoon: Cash £604; three months £622, 21.5, 22, 22.5, 23, 24. Kerb: Three months £624, 23.5, 23, 24, 23.5, 24, 24.6, 24.

NICKEL—Gained ground on heavy buying against pricing contracts coupled with the decline in sterling. Forward metal opened at £2930 and rose sharply to £2990 in the morning rings before easing to £2950 on the kerb. In the afternoon the market remained steady around the £2940 level. Turnover: 870 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffici'l	+ or —
Spot	2940-60	-85	2880-5	+37.5
3 months	2990-3000	+75	2945-50	+45

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

Morning: Three months £2930, 35, 40, 45, 50, 70, 80, 90. Kerb: Three months £2960, 50. Afternoon: Cash £2890, 85; three months £2945, 40, 50.

SILVER

Silver was fixed 5.1p an ounce higher for spot delivery in the London bullion market yesterday at 525.50p. U.S. equivalents of the fixing levels were: spot $11.395, up 4.5c; three-month $11.859, up 5.1c; six-month $12.302, up 4.9c; and 12-month $13.162, up 5.5c. The metal opened at 524-531p ($11.40-11.55) and closed at 528-535p ($11.45-11.60).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	525.50p	+5.1	529.25p	+5.75
3 months	541.15p	+5.05	544.75p	+5.75
6 months	556.55p	+5.05	.....	
12 months	588.55p	+5.15	.....	

LME—Turnover 81 (82) lots of 10,000 ozs. Morning: three months 542.5, 42, 41.5, 42, 42.5. Kerb: three months 542.5. Afternoon: three months 544, 44.5, 45. Kerb: three months 545.5, 46.

COFFEE

Weaker sterling attracted some early dealer support, reports Drexel Burnham Lambert. Good trade buying contributed toward a steady afternoon.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1071-72	+7.0	1072-61
July	1073-75	+8.5	1075-63
Sept	1070-71	+8.5	1072-64
Nov	1056-67	+7.5	1068-61
Jan	1055-60	+0.5	1064-60
March	1056-59	+4.0	1063-55
May	1055-63	+4.0	1055

Sales: 2,017 (963) lots of 5 tonnes.

ICO Indicator prices for April 23: (U.S. cents per pound): Other Mild Arabicas 129.00 (same): Robustas ICA 1976 112.25 (112.00); ICA 1968 112.50 (112.25). Unwashed Arabicas unquoted. Comp. daily ICA 1968 unquoted.

GRAINS

Mnth	WHEAT Yesterd'ys close	+ or —	BARLEY Yesterday's close	+ or —
May	116.75	-0.25	99.25	-0.85
July	118.40	-0.40	—	—
Sep	102.55	-0.40	95.75	-0.15
Nov	106.30	-0.38	99.50	-0.25
Jan	110.30	-0.40	103.00	-0.25
Mar	113.95	-0.45	106.40	-0.25

Business done—Wheat: May 117.20-116.00, July 119.00-117.80, Sept. 102.75-102.55, Nov. 106.70-106.02, Jan. 110.50 one trade, March 114.20-114.15. Sales: 416 lots of 100 tonnes. Barley: May 99.50-99.00, Sept. 95.95-95.60, Nov. 99.05-99.40, Jan. and March no trades. Sales: 64 lots of 100 tonnes.

HGCA—Locational ex-farm spot prices. Other milling wheat: Eastern prices. Other milling wheat: Eastern E. Midlands 99.80 N. East 100.00, Scotland 99.60. The UK Monetary Coefficient for the week beginning Monday April 27 is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 2 14 per cent May 107.75, June 107.25, July 107.00 transhipment East Coast sellers. U.S. Hard Winter 13½ per cent May 108.75, June 106.50, July 106.25 transhipment East Coast sellers. English Feed fob June 121.50 East Coast seller. Maize: French May 127.50 transhipment East Coast seller. S. African Yellow May 89.00. Barley: English Feed fob April 102, May and June 103.25, Aug. 96 East Coast seller. Rest unquoted.

COCOA

Dealer hedging of producer sales and commission house liquidation caused prices to weaken throughout an active day. However, improved offtake was found among manufacturers who also took the opportunity to price-fix existing contracts, reports Gill and Duffus.

COCOA	Yes'rday's Close	+ or —	Business Done
May	936-937	-17.0	946-935
July	956-957	-20.0	970-956
Sept.	973-974	-20.0	986-973
Dec.	995-996	-17.0	1006-995
March	1019-20	-13.0	1026-16
May	1036-38	-11.6	1041-38
July	1054-55	-9.0	1048-38

Sales: 3,019 (2,493) lots of 10 tonnes.

ICCO Futures—Daily price for April 23: 97.85 (98.36): five-day average 98.31 (98.27).

GAS OIL FUTURES

The market having failed to break through on the downside, found trade support during the course of the day. Light selling on the close brought the market back to the lows, reports Premier Man.

Month	Yesterdys close	+ or —	Business Done
	$ U.S. per tonne		
June	283.75	-0.75	284.25-83.25
July	285.75	-1.00	288.50-85.50
August	291.00	-1.00	292.00-90.75
September	297.60	-0.75	298.50-97.00
October	303.60	-1.00	304.75-02.25
November	309.75	-1.00	309.50-09.00
December	314.50	-1.25	315.50-15.00
January	318.75	-1.25	319.00-14.00
February	323.50	-0.50	324.00-24.00

Turnover 503 (706) lots of 100

RUBBER

The London physical market opened easier, with little interest at lower levels, closing quiet Lewis and Peat reported a fob May price for No. 1 RSS in Kuala Lumpur of 268.5 (282.0) cents a kg and SMR at 243.5 (253.5).

No. 1 R.S.S.	Yest'r'ys close	Previous close	Business Done
May	55.50-56.80	55.60-56.20	56.80
June	56.40-57.50	56.60-57.50	—
Jly-Sept	59.10-59.20	59.40-59.60	61.20-59.50
Oct-Dec	62.40-62.50	65.50-62.60	64.70-62.60
Jan-Mar	65.20-65.30	65.50-65.40	62.30-65.30
Apl-Jne	67.90-68.00	68.10-68.40	68.20
Jly-Sept	70.70-71.00	71.30-71.60	—
Oct-Dec	73.70-75.30	73.60-74.20	—
Jan-Mar	76.50-76.70	76.60-77.90	—

Sales: 46 (344) at 15 tonnes, 32 (2) at five tonnes. Physical closing prices (buyers) were: Spot 54.00p (54.50p), June 57.50p (same), July 58.50 (—).

SOYABEAN MEAL

The market opened £1.50 lower on increased USDA stock figures, reports T. G. Roddick. However, short covering and trade buying at lower levels caused prices to firm and close unchanged to £1 lower.

	Yesterdys Close	+ or —	Business Done
	£ per tonne		
June	132.00-32.4	—	132.40-131.90
August	134.00-34.2	-1.05	134.00-133.30
October	136.50-36.6	-1.00	136.50-135.50
December	138.50-38.8	-0.9	—
February	140.00-40.8	-1.1	—
April	140.50-44.0	-0.25	—
June	140.00-46.0	-0.75	—

Sales: 83 (201) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £200.00 (£193.00) a tonne cif April-May-June shipments. White sugar daily price £216.00 (£211.00).

The market was contained within a £3 trading range throughout the day in dull conditions, reports C. Czarnikow.

No. 4 Contract	Yest'rdy's Close	Previous Close	Business Done
	£ per tonne		
May	206.25-206.5	204.05-04.75	207.60-20.00
Aug.	205.10-205.2	204.75-05.00	207.00-20.00
Oct.	206.50-206.7	205.60-05.75	207.60-20.50
Jan.	204.75-256.0	205.60-05.00	205.50
March	206.75-207.0	205.65-05.75	207.75-20.50
May	207.00-207.5	205.25-05.50	208.00-20.00
Aug	208.50-209.0	205.90-06.00	208.00-20.50

Sales: 10,144 (7,217) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £279.5 (£270.0) for export.

AMERICAN MARKETS

Thursday's closing prices

NEW YORK, April 23.

Sugar continued its advance as reports of cold temperatures raised the possibility of further damage to the beet crop. Cotton was mixed with new-crop months under pressure because of improved weather. Heating oil sold off sharply as OPEC is to establish a unified price. The rumours of lifting the Soviet embargo rallied all markets early but grains could not hold their gains while soyabeans finished with modest gains, reported by Heinold.

††Cocoa — May 1948 (1968), July 2030 (2049), Sept. 2085, Dec. 2149, Mar. 2195, May 2230, July 2268, Sept. 2300. Sales: 2,800.

Coffee—"C" Contract: May 128.25-126.50 (128.40), July 126.10-126.30 (125.96), Sept. 125.25-125.50, Dec. 122.00-122.25, Mar. 119.50-119.75, May 119.75, July 119.50, Sept. 119.60. Sales: 940.

Copper — April 83.15 (82.35), May 83.15-83.40 (82.05), June 84.60, July 85.70-85.90, Sept. 88.00-88.30, Dec. 91.80-91.90, Jan. 93.05, Mar. 95.40, May 97.60, July 99.80, Sept. 102.00, Dec. 105.30, Jan. 106.30. Sales: 15,000.

Cotton — No. 2: May 83.95-84.10 (84.50), July 86.15-86.30 (86.12), Oct. 83.95-84.00, Dec. 81.55-81.00, Mar. 82.60-82.75, May 83.25-83.50, July 84.50-84.75, Oct. 84.00-84.75. Sales: 4,725.

*Gold—April 491.3 (489.0), May 492.1 (490.0), June 497.0-498.5, Aug. 509.0-511.5, Oct. 523.6, Dec. 536.5, Feb. 549.5, April 562.6, June 575.8, Aug. 589.1, Oct. 602.5, Dec. 616.0, Feb. 629.5. Sales: 33,000.

Heating oil (cents per U.S. gallon)—May 0.9388 (0.9445), June 0.9410 (0.9461), July 0.9427, Aug. 0.9628, Sept. 0.9670, Oct. 0.9840, Nov. 1.0040, Dec. 1.0225, Jan. 1.0400, Feb. 1.0580, Mar. 1.0740, April 1.0825, May 1.0800. Sales: 4,435.

Orange Juice—May 139.00 (140.05), July 143.00-143.20 (144.40), Sept. 144.50, Nov. 144.30-144.50, Jan. 144.10-144.50, Mar 144.90-145.05, May 145.60-145.70, July 146.35-146.50, Sept. 147.10-147.50. Sales: 1,200.

*Platinum—April 477.0 (474.3), May nil (nil), June 485.3, July 487.0-490.0, Oct. 506.0-507.0, Jan. 524.3, April 542.8. Sales: 1,690.

Potatoes (round whites)—Nov. 76.6-77.3 (75.9), Feb. 84.0-85.0 (84.0), Mar. 88.5-89.0, April 103.0-103.5. Sales: 125.

§Silver—April 1138.0 (1132.5), May 1138.0-1142.0 (1136.0), June 1155.0, July 1174.0-1175.0, Sept. 1202.5, Dec. 1250.5, Jan. 1266.5, Mar. 1298.5, May 1330.5, July 1362.5, Sept. 1394.5, Dec. 1442.5. Handy and Harman bullion spot: 1120.00 (1158.00). Sales: 6,000.

Sugar—No. 11: May 18.10-18.15 (17.50), July 18.38-18.40 (17.98), Sept. 18.65-18.70, Oct. 18.71, Jan. 18.80, Mar. 18.85-18.90, May 18.95-18.98, July 19.05-19.10, Sept. 19.10. Sales: 9,755.

Tin—609.00-615.00 (610.00-615.00).

CHICAGO, April 23.

Chicago Imm Gold — April 488.0 (483.0), May nil (nil), June 497.5-498.5, July 504.4, Sept. 517.0-518.0, Oct 523.5, Dec 536.4, Jan. 542.9, Mar. 555.9, April 562.5.

Lard—Chicago loose 20.25 (19.625).

Live Cattle—June 70.85-71.05 (70.85), Aug. 69.45-69.50 (69.80), Oct. 67.90-67.80, Dec. 68.85, Feb. 69.80, April 70.45.

Live Hogs—June 48.55-48.60 (49.00), July 51.20-51.35 (51.95), Aug. 51.65-51.85, Oct. 51.50-51.20, Dec. 54.45-54.40, Feb. 56.60, April 55.85, June 57.80.

‡‡Maize—May 366¼-366½ (367), July 375¼-375½ (377¼), Sept. 380½, Dec. 381¼-381½, Mar. 392, May 397½.

Pork Bellies—May 56.17-56.17 (58.17), July 57.25-57.25 (59.25), Aug. 56.77, Feb. 69.95-69.70, Mar. 70.30, May 71.30, July 72.30.

†Soyabeans—May 785-787 (780½), July 808½-812 (804½), Aug. 819-821, Sept. 824, Nov. 838-840½, Jan. 858½, Mar 880, May 895½.

||Soyabean Meal—May 225.0-225.4 (224.1), July 232.5-233.0 (231.6), Aug. 235.2-235.5, Sept 237.0-237.5, Oct. 240.5, Dec 244.5, Jan. 246.0-247.0, Mar. 252.5-253.5, May 254.0-256.0.

Soyabean Oil—May 24.40-24.44 (24.29), July 25.25-25.30 (25.11), Aug. 25.65, Sept. 26.00, Oct. 26.32, Dec. 26.90-26.93, Jan. 27.05, Mar. 27.75-27.90, May 28.15-28.25, July 28.40-28.50.

†Wheat—May 442-441½ (445), July 448-449 (451), Sept 463½-464½, Dec. 489-489½, Mar. 509, May 519.

WINNIPEG, April 23.

§Barley—May 147.50 (147.50), July 150.40 (150.20), Oct. 149.50, Dec. 149.90, Mar. 150.0.

§Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 264.07 (265.27).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. || $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

INDICES

FINANCIAL TIMES

April 23	April 22	Month ago	Year ago
261.37	262.19	259.94	280.50

(Base: July 1, 1952=100).

MOODY'S

April 23	April 22	Month ago	Year ago
1115.0	1117.8	1147.2	1116.6

(December 31, 1931=100)

DOW JONES

Dow Jones	April 23	April 22	Month ago	Year ago
Spot	411.98	409.71	423.09	416.05
Fut's	422.81	421.50	431.78	424.74

(Average 1924-25-26=100)

REUTERS

April 24	April 23	M'nth ago	Year ago
1701.6	1697.0	1702.4	1711.0

(Base: September 18, 1931=100)

Whitelaw says Howe took only honest way to curb inflation

BY MARGARET VAN HATTEM.

MR. WILLIAM WHITELAW, the Home Secretary, yesterday defended Sir Geoffrey Howe's *much-citicised Budget* as the only honest means of creating employment and curbing inflation.

"To do that, we must encourage our successful industries and small companies, which means borrowing less, not more, and so bring down our interest rates. That was the purpose of Geoffrey Howe's courageous Budget," he said.

Speaking at a Conservative Party meeting in Penrith, Cumbria, Mr. Whitelaw said he himself had been reluctant to accept the increased tax on petrol, in view of its effect on rural regions. But he fully accepted that there was no better means of raising the necessary revenue.

In any case, the Government was doing a great deal to help rural areas, not only through relief on capital transfer tax, but also through the substantial farm price rises agreed on in Brussels earlier this month.

Difficult decisions would arise "over the next few years" in the battle to contain the cost of the Common Agricultural Policy."

Mr. Whitelaw also defended the police force in view of criticism following the Brixton riots earlier this month. "It must be accepted that the police are there for the protection of the public and that they are entitled to the full-hearted and active support of all those in authority, and indeed of all those who seek to preserve our society," he said.

"Fortunately, on the whole, the police get that support, and, whatever criticisms of them are made from time to time, richly deserve it. This makes outbursts like those of Mr. Ted Knight, the leader of the Lambeth Council, who I see has said that he wants to break the Metropolitan Police Force, all the more disgraceful.

BANK RETURN

BANKING DEPARTMENT

	Wednesday April 22 1981	Increase (+) or Decrease (—) for week
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	40,145,898	— 6,098,501
Bankers Deposits	648,913,384	+ 183,412,967
Reserve & other Accounts	1,292,866,480	— 26,794,379
	1,996,478,762	+ 150,520,087
ASSETS		
Government Securities	627,070,856	+ 210,035,000
Advances & other Accounts	891,361,664	— 41,567,614
Premises Equipment & other Secs.	448,995,437	— 41,882,757
Notes	28,771,359	+ 25 952,579
Coin	279,446	— 17,121
	1,996,478,762	+ 150,520,087

ISSUE DEPARTMENT

	£	£
Liabilities		
Notes issued	10,950,000,000	+ 175,000,000
In Circulation	10,921,228,641	+ 151,047,421
In Banking Department	28,771,359	+ 23,952,579
ASSETS		
Government Debt	11,015,100	—
Other Government Securities	6,833,881,314	— 171,297,905
Other Securities	4,105,103,586	+ 346,297,905
	10,950,000 000	+ 175,000,000

LONDON TRADED OPTIONS

(Total contracts 3021)

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	330	68	1	—	—	—	—	396p
BP	360	38	5	52	25	62	—	"
BP	390	10	25	34	45	42	—	"
BP	420	½	—	18	15	26	5	"
BP	460	¼	—	10	18	—	—	"
Com. Union	140	26	—	34	—	37	7	164p
Com. Union	160	6	29	17	3	22	4	"
Com. Union	180	½	25	8	27	14	20	"
Cons. Gold	460	17	—	48	11	63	—	473p
Cons. Gold	488	4	59	—	—	—	—	"
Cons. Gold	500	—	—	28	16	45	3	"
Cons. Gold	550	—	—	12	—	20	1	"
Courtaulds	50	25	—	27	41	28	—	74p
Courtaulds	60	15	21	17	25	19	16	"
Courtaulds	70	5	41	10	74	13	—	"
Courtaulds	80	—	—	4½	69	8	55	"
GEC	500	202	6	222	—	—	—	700p
GEC	600	102	26	122	—	137	—	"
GEC	650	52	7	77	43	97	25	"
GEC	700	8	26	35	4	57	—	"
Grand Met.	160	49	2	55	2	58	—	208p
Grand Met.	180	29	16	36	14	39	—	"
Grand Met.	200	9	65	19	68	26	51	"
Grand Met.	220	—	—	9½	268	15	10	"
ICI	260	48	—	58	18	64	—	306p
ICI	280	28	34	38	26	44	51	"
ICI	300	9	107	27	151	33	105	"
ICI	330	1½	31	13	49	—	—	"
ICI	360	1½	—	8	31	—	—	"
Land Sec.	350	70	1	74	—	86	—	428p
Land Sec.	390	40	13	48	15	62	—	"
Land Sec.	420	10	35	29	8	43	20	"
Land Sec.	460	½	—	10	10	23	—	"
Marks & Sp.	90	48	80	—	—	—	—	137p
Marks & Sp.	100	38	10	42	—	—	—	"
Marks & Sp.	110	28	—	33	4	36	—	137p
Marks & Sp.	120	18	27	24	93	27	—	"
Marks & Sp.	130	8½	53	14½	74	18	1	"
Marks & Sp.	140	—	—	6½	15	9½	66	"
Shell	360	36	3	52	—	64	—	392p
Shell	390	6	20	30	11	42	—	"
Shell	420	½	2	18	22	28	3	"
Shell	460	¼	1	7	12	16	—	"
Shell	500	¼	—	4	1	—	—	"
Totals			704		1506		451	
		May		August		November		
Barclays B'k	420	23	63	42	29	55	—	440p
Barclays B'k	460	4	4	22	45	30	—	"
Imperial Gp.	70	6½	—	10	2	10½	3	76p
Imperial Gp.	80	2	70	4	27	4½	—	"
Lasmo	550	20	16	50	—	72	5	547p
Lasmo	600	8	—	28	4	47	—	"
Lasmo	700	3	12	12	—	20	10	"
Lonrho	90	7	2	12	2	15	—	94p
Lonrho	100	3	1	7	—	10	1	"
Lonrho	110	1	—	4	—	7	1	"
P. & O.	110	50	10	51	—	—	—	160p
P. & O.	120	40	10	43	—	45½	—	"
P. & O.	130	30	10	33	—	37½	—	"
P. & O.	140	20	—	25	4	30½	—	"
P. & O.	160	5	17	12½	86	18	—	"
P. & O.	180	3	4	6	34	10	1	"
Racal Elec.	330	57	1	70	—	82	—	384p
Racal Elec.	360	30	30	49	—	62	—	"
Racal Elec.	390	10	55	30	3	43	—	"
RTZ	414	65	9	—	—	—	—	475p
RTZ	420	—	—	67	—	80	5	"
RTZ	454	29	5	—	—	—	—	"
RTZ	460	—	—	47	—	62	10	"
RTZ	494	10	10	—	—	—	—	"
Totals			319		225		36	

BASE LENDING RATES

A.B.N. Bank ... 12 %	■ Hambros Bank ... 12 %
Allied Irish Bk. ... 12 %	Heritable & Gen. Trust 12 %
American Express Bk. 12 %	■ Hill Samuel ... §12 %
Amro Bank ... 12 %	C. Hoare & Co. ... †12 %
Henry Ansbacher ... 12 %	Hongkong & Shanghai 12 %
AP Bank Ltd. ... 12 %	Keyser Ullmann ... 12 %
■ Arbuthnot Latham ... 12 %	Knowsley & Co. Ltd. ... 14 %
Associates Cap. Corp.... 12 %	Langris Trust Ltd. ... 12 %
Banco de Bilbao ... 12 %	Lloyds Bank ... 12 %
BCCI ... 12 %	Mallinhall Limited... 12 %
Bank of Cyprus ... 12 %	Edward Manson & Co. 13 %
Bank of N.S.W. ... 12 %	Midland Bank ... 12 %
Banque Belge Ltd.... 12 %	■ Samuel Montagu ... 12 %
Banque du Rhone et de la Tamise S.A. ... 12½%	■ Morgan Grenfell ... 12 %
Barclays Bank ... 12 %	National Westminster 12 %
Beneficial Trust Ltd.... 13 %	Norwich General Trust 12 %
Bremar Holdings Ltd. 13 %	P. S. Refson & Co. ... 12 %
Brit. Bank of Mid. East 12 %	Ryl. Bk. Canada (Ldn.) 12 %
■ Brown Shipley ... 12½%	Slavenburg's Bank ... 12 %
Canada Perm't Trust... 13 %	E. S. Schwab ... 13 %
Cayzer Ltd. ... 12 %	Standard Chartered ...‖12 %
Cedar Holdings ... 12 %	Trade Dev. Bank ... 12 %
■ Charterhouse Japhet... 12 %	Trustee Savings Bank 12 %
Choulartons ... 12 %	TCB Ltd. ... 12 %
C. E. Coates ... 12 %	United Bank of Kuwait 12 %
Consolidated Credits... 12 %	Whiteaway Laidlaw ... 12½%
Co-operative Bank ... *12 %	Williams & Glyn's ... 12 %
Corinthian Secs. ... 12 %	Wintrust Secs. Ltd. ... 12 %
The Cyprus Popular Bk. 12 %	Yorkshire Bank ... 12 %
Duncan Lawrie ... 12 %	
Eagil Trust ... 12 %	
E. T. Trust Limited ... 12 %	
First Nat. Fin. Corp.... 14½%	
First Nat. Secs. Ltd. ... 14½%	
Robert Fraser ... 12 %	
Antony Gibbs ... 12 %	
Greyhound Guaranty ... 12 %	
Grindlays Bank ... ‡12 %	
■ Guinness Mahon ... 12 %	

■ Members of the Accepting Houses Committee.

* 7-day deposits 9%. 1-month 9¼%. Short term £4,000/12 months 11.85%.

† 7-day deposits on sums of £10,000 and under 9%, up to £50,000 9¼%, and over £50,000 10½%.

‡ Call deposits £1,000 and over 9%.

§ Demand deposits 9½%.

‖ 21-day deposits over £1,000 10½%.

Stock Exchange dealings

The list below, restricted mainly to equities to conserve space, has been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. It shows prices at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange's Talisman checking system.

The prices are not in order of execution, but in ascending order which denotes the day's highest and lowest dealing price.

For those shares in which no business was recorded in Thursday's Official List, the latest recorded business done during the previous four business days is given with relevant dates appended. The number of bargains done on Thursday in each section is shown against the respective sub-headings. Unless otherwise indicated the shares are 25p fully-paid.

‡ Bargains at special prices. Δ Bargains done with a non-member or executed in overseas market. Φ Bargains done previous day. $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Mo—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BANKS, DISCOUNT (1,593)

BREWERIES (618)

COMMERCIAL (14,029)

A—B

C—D

E—F

Fortnum Mason (£1) 745 70 (21/4)
Forward Technology Ind. 115 6 7 8
Foseco Minsep 218 9 20 1 2 3 4 5
Foster Bros. Clothing 92 4
Foster (J.) 26½
Fothergill and Harvey 147 8 50
Francis Inds. 67 8
Francis Parker (10p) 26½ 7
Freemans (London S.W.9.) 128 30 2
French Kier Hldgs. 70 ½ 1 ½ 2 ½ 3
French (T.) (10p) 126 9 (22/4)
Friedland Doggart Group 97½ 8 100 1
Futura Hldgs. 68

G—H

GEI Intnl. (20p) 81 3½ 4 5 6 7
Galliford Brindley (5p) 88 9

I—J—K

JB Hldgs. (10p) 77 9
Jacks (William) 18 (22/4)
Jackson (J. H. B.) (5p) 70 ½ 1 ½ 2
James (Maurice) Inds. (10p) 16 ¼ ½ ¾
Jarvis (J.) Sons 205 6
Jentique (Hldgs.) 19 ¼ ½ 20
Jerome (S.) Sons (Hldgs.) 126 8 30 2
Jessups (Hldgs.) 34
Johnson Barnes (12½p) 7
Johnson Firth Brown 25 6 7 8
Johnson Grp. Cleaners 226 31 3 4 5 6
Johnson Matthey (£1) 270 ¼ 1 5/16 2 3
Johnstone (W. F.) (R0.50) 230Φ
Jones (A. A.) Shipman 64 6
Jones (Edward) Grp. (10p) 27½
Jones (Ernest) (Jewellers) (10p) 100
Jones Stroud (Hldgs.) 68 70
Jourdan (Thomas) (10p) 86 (22/4)

L—M

N—O—P

Q—R—S

Standard Fireworks 110Φ 1Φ
Standard Telephones, Cables 538 40 1 2 5
Stanley (A. G.) Hldgs. (5p) 75 6 8Φ ½
Staveley Indus. (£1) 268 70 2 3
Stead Simpson A 53 4
Steel Bros. Hldgs. 167 8 72
Steetley 219 ¼ 20 1 2
Steinberg Gp. (10p) 15 (22/4)
Sterling Industs. (2½p) 32 3
Stewart Nairn Gp. (5p) 7 ½
Stewart Plastics 117 8 9 20
Stirling Knitting Gp. (20p) 43
Stocklake Hldgs. 119 20 2 3
Stoddeard (Hldgs.) A Non-vtg. 17½ 8 ½ 9 (22/4)
Stonehill Hldgs. 108 (22/4)
Stone-Platt Industs. 16 ½ 7 ½
Scothert Pitt (£1) 122 5
Streeters Godalming (10p) 28 30
Strong Fisher (Hldgs.) 58 9 60
Stroud Riley Drummond 55½

T—U—V

W—Y—Z

Smith Bros 43 4 5
Sterling Credit Group (10p) 11½ A (1p) 10¼ 1 1/16 ½ New A (nil Pd.-6/5/81) 4½ 7 ¾ 5 ¼ ½
Unisec Group (R0.20) 110Φp
Wagon Finance Cpn. 47 8 50
Yorkgreen Invests. (10p) 14 ½ 5
Yule Catto Co. (10p) 85 8

FINANCIAL TRUSTS (344)

INSURANCE (484)

Brentnall Beard (Hldgs.) (10p) 22 ¼ 3¼ ½ 4 (22/4)
Britannia Ass. (5p) 252 6
Commercial Union Ass. 159 60 ½ 1 2 3 4 6Φ
Eagle Star Hldgs. 242 3 4 5 6
Equity Law Life Ass. Soc. (5p) 368 92 6
General Acc Fire Life Ass. Cpn. 352 3 4 5 6 8
Guardian Royal Ex. Ass. 342 4 6 8
Hambro Life Ass. (5p) 359 60 1 2
Heath (C.E.) (20p) 255 6 7 8 60 3 5
Hogg Robinson Group 120 1 2

Murdoch criticises curbs on television advertising

BY STEVE WALKER

THE INDEPENDENT Broadcasting Authority was accused by Mr. Rupert Murdoch, chairman of News International, yesterday of being anti-commercial, answerable to nobody and tightening its hold on the monopoly commercial television service.

Speaking at the Advertising Association's annual luncheon, he said: "The makers of commercials on TV are allowed less freedom than the makers of the programmes themselves. There is a double-standard applied which restricts the freedom of the advertiser."

Mr. Murdoch, whose company *now owns four national newspapers*, also claimed that politicians, bureaucrats and the gentlemanly professionals at the top of the Civil Service did not like commerce and were harming Britain's industrial growth.

"They distrust money, they despise business, they create the social and psychological currents which have done so much to damage Britain and its willingness to change," he asserted.

"It is going to take a lot to break down the snobbery and shibboleths' to reverse the gentrification of Britain," he said.

He criticised the advertising industry for its recent preoccupation with television *advertising, saying that* newspapers had been overlooked.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr. 21	May 1	July 23	Aug. 3
May 11	May 22	Aug. 6	Aug. 17
May 26	June 5	Aug. 26	Sept. 7

For rate indications see end of Share Information Service

Calls were done in ICI, GKN, Royal Bank of Scotland, Premier Oil, NCC, Hawley Leisure, J. Billam, Woolworths, London Brick, Hoover A, Rowntree Mackintosh, Vickers, Cosalt, Plessey, Ladbroke, Haden Carrier, Rothmans International, Intervision and Carrington Viyella. Puts were taken out in GKN, Tubes, MFI, Oxley Printing, Sumrie Clothes and Suter Electrical. Doubles were arranged in Royal Bank of Scotland, Turner and Newall, Newman Industries and Haden Carrier.

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of price changes	Thurs. closing price pence	Day's change
Vickers	19	210	+21
Rothmans	18	69½	—
Ryl. Bk. Scot.	18	182	+ 8
Brit. Aerospace	15	238	+ 9
BP	15	390	+ 8
GEC	14	704	— 1
KCA	14	164	— 1
LASMO	14	540	+ 5
Tube Invs.	14	226	—14
Bowater	13	288	— 8
Haden Carrier	13	348	+30
Shell Trans.	13	388	+ 6
RTZ	12	470	—10
Standrd. Chart.	12	623	—15

ON THE WEEK—

Based on bargains over the four-day period ending Thursday

Stock	No. of price changes	Thurs. closing price pence	Change on week
Rothmans	98	69½	—16½
ICI	89	298	+32
GEC	88	704	+31
Brit. Aerospace	78	238	+29
Thorn-EMI	76	415	+33
Shell Trans.	70	388	+24
BP	65	390	+ 6
Ryl. Bk. Scot.	65	182	+18
GKN	62	181	+15
Ultramar	63	450	—
Vickers	61	210	+25
Plessey	60	334	+14
RTZ	58	470	+ 7
Unilever	59	508	+10

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INVESTMENT TRUSTS (775)

UNIT TRUSTS (22)

MINES—South African (124)

MINES—Miscellaneous (299)

OIL (1,106)

PROPERTY (490)

PLANTATIONS (92)

RAILWAYS (7)

SHIPPING (210)

UTILITIES (64)

UNLISTED SECURITIES MARKET (144)

Lancashire London Invest. Trust 80 ½ (22/4)
Law Debenture Corp. 160½ 1
Le Valionet 51 2 3 4 ½
Leda Investment Trust Cap. (5p) 55 ½ 7
London Gartmore Investment Trust (50p) 119½
London Holyrood Trust 159 (22/4)
London Lennox Investment Trust 48
London Lomond Investment Trust 109 10
London Provincial Tst. 149
London St. Lawrence Invest. (5p) 20½
London Strathclyde Tst. 74 5
London Atlantic Invest. Tst. 107

Northchart Invests. (R0.10) 7½ 9¼ (21/4)
Northgate Expln. Com. (C$1) 365 (22/4)
Pengkalen (10p) 90 2 (22/4)
Rio Tinto-Zinc Cpn. 467 8 9 70 1 2 3 4 5 7 8 82. Ord. 472. Acc.Ord. 462 5 7 8
Roan Consd. 8 (K4) 110 20 (22/4)
Silvermines (Ir£0.02½) 128 9
South Crofty (10p) 24 6
Sungei Besi Mines Malaysia (My$1) 215
Tanjong Tin Dredg. (15p) 118
Tanks Consd. Invests. (50p) 357 8 60 2
Wankie Colliery (50p) 48 9

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Knowsley (051-548 5555)	12¼	½-year	1,000	1-2
Redbridge (01-478 3020)	12¾	½-year	200	6-7

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	*Term shares %
Abbey National	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Aid to Thrift	9.65	10.15	—	—
Alliance	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs., 9.00 2 yrs., 9.50 3 months' notice
Anglia Hastings and Thanet	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Bradford and Bingley	8.25	8.50	9.75	9.25 1 month's notice deposit
Bridgwater	8.25	8.50	10.00	10.50 5 yrs., 9.60 2½ yrs.
Bristol Economic	8.25	9.50	9.75	9.25 3 months' shares. Escalator shares 9.00-10.50 (1-5 years)
Britannia	8.25	8.50	9.75	10.00 4 yrs., 9.50 3 months' notice
Burnley	†8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Cardiff	9.00	10.25	11.25	—
Catholic	9.00	9.50	10.50	— Share a/cs 9.70 over £5,000
Chelsea	8.25	8.50	9.75	10.50 5 yrs., 9.90 1 yr., 9.55 6 months
Cheltenham and Gloucester	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Cheltenham and Gloucester	—	9.50	—	— Gold account savings of £1,000 or more (8.50 otherwise)
Citizens Regency	—	8.75	10.00	10.75 5 yrs., 9.75 3 yrs., 9.25 1 yr.
City of London (The)	8.50	8.75	9.60	9.41 9 mth. withdraw, increment sh.
Coventry Economic	8.25	8.50	9.75	10.00 4 yrs., 9.50 3 yrs., 9.25 3 mths.
Coventry Provident	8.25	8.50	10.50	10.55 av. 5 yr., 10.00 4 yr., 9.25 3 mths.
Derbyshire	9.00	9.25	10.50	8.75 to 9.25 3 months
Ealing and Acton	9.00	9.75	—	10.40 2 years, £2,000 minimum
Gateway	8.25	8.50	9.75	8.75 (6 mths.) rising to 10.50 (5 yrs.)
Greenwich	—	9.50	10.75	11.50 5 yrs., 11.00 4 yrs., 10.50 3 yrs.
Guardian	9.00	9.50	—	11.00 6 mth., 10.50 3 mth., min. £1,000
Halifax	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Heart of England	8.25	8.50	9.75	— 3 mths. notice 9.25, 5 yrs. 10.50
Hearts of Oak and Enfield	8.25	8.75	10.25	10.00 4 yrs., 9.75 3 yrs., 9.50 2 yrs.
Hendon	8.75	9.25	—	10.25 6 months, 10.00 3 months
Huddersfield and Bradford	8.25	8.50	9.25	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs., 9.00 2 yrs.
Lambeth	9.00	9.50	11.25	11.25 5 yrs., 11.00 6 months' notice
Leamington Spa	8.35	8.60	11.50	10.10 (1 year)
Leeds Permanent	8.25	8.50	9.75	10.50 5 yrs., Optns. fm 8.75 (6 mths.)
Leicester	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Liverpool	8.25	8.50	9.80	10.50 5 yrs., minimum £1,000
London Grosvenor	8.25	9.00	11.00	9.50 6 months' notice
Melton Mowbray	9.10	9.35	10.50	10.85 4 yrs., 10.12 2 yrs.
Mornington	—	9.60	—	—
National Counties	8.50	8.80	9.80	9.50 35 days' notice. Min. dep. £500. 6 months 9.90
Nationwide	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.00 1 yr.
New Cross	9.00	9.25	—	9.25-10.00 on share accs., depending on min. balance over 6 mths.
Northern Rock	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Norwich	9.00	9.25	10.75	10.25 3 yrs., 10.00 2 yrs., min. £500
Peckham Mutual	9.25	9.55	—	—
Peckham Permanent	9.00	9.75	11.00	—
Portman	8.25	8.50	9.75	10.50 5 yrs., 9.55 6 months' notice
Portsmouth	8.60	8.80	10.30	10.85 (5 yrs.), 10.25 (6 mths.)
Property Owners	9.25	9.75	11.20	11.25 4 yrs., 11.00 6 mths., 10.50 3 mth.
Provincial	8.25	8.50	9.75	9.50 5, 4, 3 yrs., 9.00 2 yrs.
Skipton	8.25	8.50	9.75	10.50 5 yrs., 9.60 wdl. 1 mth. loss int.
Sussex County	8.50	8.75	10.55	11.00 6 yrs., 10.25 4 yrs., 9.50 2 yrs.
Sussex Mutual	9.25	9.80	11.25	10.00-11.25 all with special options
Town and Country	8.25	8.50	9.75	10.50 5 yrs., 10.00 4 yrs., 9.50 3 yrs.
Walthamstow	9.00	9.50	10.50	10.50 6 months' notice, min. £1,000
Wessex	8.50	9.25	—	10.25 min. 3 yrs., 6 mth. notice of wdl.
Woolwich	8.25	8.50	9.75	10.50 5 yrs., 8.75 6 mths.

* Rates normally variable in line with changes in ordinary share rates. † Effective from May 1.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

China Light and Power 850 7
Cluff Oil Australia 240 ½
Conex Australia 71½ 8
Consd. Goldfields Australia 3000 30
Cons. Modderfonteins 100 (22/4)
Cons. Res. 350 10
Coseka 760 5
Crusader Oil 350 60
Cultus Pacific 35 9 40 1
Cultus Pacific Opts. 1981 240 1
Cultus Pacific Opts. 1983 230 40 1 3
Data Terminal Systems 730 (21/4)
Dvpt. Bank Singapore 1950 3 (22/4)
Digital Equipment US$103½ 5½ £49
Double Eagle 260 8½
Dresser Inds. US$46 (22/4)
Eagle Corp. 28 30
Eastman Kodak £38¾
Emerson Electric £21½ (16/4)
Endeavour Res. 33 4 ½
Energy Res. of Aust. 95
Ensearch £20¾
Exxon Corp. £30½
EZ Inds. 305
EZ Inds. New 104 15 17
Faber Merlin Malaysia 580 8 (22/4)
Fairchild Inds. £12¾ (22/4)
Fletcher Challenge 103 (21/4)
Forsyth Oil and Gas 8
Fraser and Neave 1370
Gem. Expl. 14
Genoa Oil 160 6 8 (21/4)
Geometals 28 (21/4)
Gold Mines Kalgoorlie (Aust.) 375
Great Eastern Mines 15
Greenbushes Tin 862 ½
Greenvale Mining 45
Greenvale Mining (A$0.05 pd.) 45
Gulf Oil £15
Gulf Canada (16/4)
Gulfstream Res. Canada 340: 1: 2 5 50 5
Hammersley 235 (22/4)
Hansa Petroleum 34 (21/4)
Haoma Gold 840 5 (21/4)
Hartogen Energy 500 5
Haw Par 810 (21/4)
Highwood Res. 155
Hill 50 Gold Mines 35
Homestake Mining US$50½0 ½ (21/4)
Hong Kong Land 102 3
Hudsons Bay Oil and Gas 940
Hutchison Whampoa 135 7 8 82
Inland Natural Gas 630 45 (16/4)
Intnl. Mining 47
Intnl. Pet. 270 2 4 5 8 80 2 4 5 8 90 2 3 5
Jardine Matheson 1770 90 9 80 1 2 3 91½
Jardine Secs. 103
Jennings 76
Jimberlana Mins. 550 48
Johnson and Johnson £50 (21/4)
K Mart 885 95
Kennecott Copper US$56¾ ½ (21/4)
Keppel Shipyard 145 7
Key West Ex 13 (21/4)
Kia-Ora Gold 14
Kitchener Gold Mining 170
Kulim (Malaysia) 65½
Leichardt Expln. 63 (21/4)
Lend Lease 272
Lennard Oil 38 (22/4)
MIM Hldgs. 240 5 6 8 9
Mackie Res. 145 (21/4)
Magellan Pet. 420 (21/4)
Magnet Metals 170 17
Malaysian Plants. 76 ½
Matsushita Elec. Ind. 293 5
Meekatharra Mins. 3250 10 50
Meridian Oil 24 ½ 5 ½ (22/4)
Metals and Energy Mins. 10½ 12 ½ (22/4)
Metals Expln. 65 6
Metana Mins. 340
Metramar Mins. 32 3 6
Mid East Mins. 11 12
Minefields Expl. 10
Monarch Pets. 16 (22/4)
Moonie Oil 725 75½
Mount Carrington 47 50 2 3
Mount Lyall 98 (22/4)
Murphy Oil £13¾
Myer Emporium 96
Negri River 350
Nicholas Intl. 740 3 6

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

* Indicates Irish currency.

Southern Pacific Pets. 40 2 4 5 6 7
Spargo 34 5 6 7
Standard Oil of Indiana £29¾0 8½ ¼ ¾ US$63½ (22/4)
Standard Oil of Ohio US$470 7 £21½ ¾
Sterling Pets. 10½
Strata Oil 1420 40 3 4
Strata Oil Options 1240 40 (22/4)
Swan Resources 460
Swire Pacific A 120 ½ 1½ 2 ½
Swire Pacific B 21 (22/4)
Swire Props. 1330 1 3
Target Pets. 25 6 (22/4)
Target Pets. (A$0.15 pd.) 16 17½
Tasminex 32
Teck Cpn. B 775 80 90
Timor Oil 5
Tri-Continental 975 US$21½ (22/4)
Toyota Motor 222 4 (21/4)
Unidev 120 30
Union Oil California £14¾
Utd. Overseas Bank 153
Utd. Overseas Land 100
U.S. Steel £15½0 ½0 ¼ ¾
Valiant Consd. 32 (21/4)
Kernitron 920 30 (22/4)
Village Main Reef Gold Mng. 700
Voltan Mins. 225 (22/4)
Walker (Hiram) £10¼ (21/4)
Warrior Res. 200 5
West Coast Hldgs. 14 (22/4)
West Coast Trans. 550 (22/4)
Westfield Mins. 105
Wesfort Pet. 4100 (21/4)
Westinghouse Elect. £15¾ (21/4)
West Jay Pet. 85 7 92 5 (16/4)
Wheelock Marden A 54½0 6 ½ 7
Wheelock Marden B 3½ 4
Whim Creek Cons. 56 (22/4)
Woodside Pets. 137
York Resources 800 75 7 8 80 1 3
Zone Petroleum 180 (22/4)

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

* Indicates Irish currency.

Aero Needles 87 (16/4)
Airship Inds. 75 80 (22/4)
All England Lawn Tennis Gnd. £50Db. 1981-85 £6.450 85 600 (16/4)
All England Lawn Tennis Gnd. £50Db.
(ex 1981 Tickets) £4,500 (16/4)
American Oil Field Systems 88 94 (16/4)
Ann Street Brewery 290 (16/4)
Arsenal FC £145 (21/4)
Asprey £30 (16/4)
Aston Villa FC 850 (21/4)
Baker Electronics 43 (16/4)
Baxter (W. H.) 70 (22/4)
Bonusbond Hldgs. 145 8
Brint Invs. 454 6 (22/4)
CIC Inv. 1½ ¼ (22/4)
CIC Inv. (10p) 2 ¾ (22/4)
Caledonian Offshore 4pcCnv. (£5 pd.) £35 (16/4)
Cambridge Petroleum Royalties 310 20 (22/4)
Camra (Real Ale) Invs. 95
Carlton Real Estates 27½ (22/4)
Carlton Real Estates (8p) 27 (21/4)
Castletown Brewery 250
Celtic Basin Oil Expl. 115 (16/4)
Ceylon and Indian Planters 213 (16/4)
Channel Hotels and Props. 16 18 (22/4)
Clairmace 14 ½ 15 (22/4)
Commercial Bank of Wales 72 3 5 (21/4)
Computer and Systems Eng. 877 88 (21/4)
Conister Tst. 140 (22/4)
Conroy Pet. and Nat. Res. 225 (21/4)
Cunningham and Thwaites £30 (16/4)
Dart Valley Light Rlwy. 55 (21/4)
Deltenne 11 (21/4)
Dimbula (Ceylon) Tea 200 (16/4)
Dollar Land 22 (22/4)
Edinburgh Secs. 170 3 4 5
Eldridge Pope A 278 (21/4)
Exchem 114 16
Exeter Building 13½ 2 40 (22/4)
Flight Spares 178 80
Forestry Pulp and Paper 23 (16/4)
Fruit Importers of Ireland 57* (16/4)
Gaelic Oil 220 3
Gale (G.) 615 (21/4)
Gibbs (M.) 197 (22/4)
GRA Prop. Tst. 13¼ ½
Grendon Tst. £1½ (22/4)
Harrison Cowley 88 (21/4)
Heavitree Brewery A 360 (16/4)
Hemerdon Mng. and Smelting 85 8 (21/4)
Home Brewery 450 (22/4)
Intervision Video (Hldgs.) Pfd. 61 ½ 2
Intervision Video (Hldgs.) 7pcCnv.Pf. 210 11 12 14 (22/4)
Island Garages 19 (16/4)
Island Garages 11pcCnv. £130 (16/4)
Javplant 8½ 9 ½
Jennings Bros. 114
Jessel Tst. 16 ¼ 17 ½ (22/4)
Jessel Tst. New 15 16 ¼ ½ 17 (22/4)
Kenmare Oil Exploration 40 2
Kuala Pergau Rubber 14 (16/4)
Le Riches Stores 215 (22/4)
Lifeguard Assurance 265
Mainline Elect. 2 (16/4)
Manchester Utd. FC 165 (16/4)
Manx Petroleum 38
Mapalagama Rubber 22
Mowlem (J.) 4pcPf. £28
Nationwide Leisure 11½ (22/4)
Nimslo European £11.08 11.15 11.81 11.90 12.06 12.15
Nimslo European 14pcAUns.Ln. £85
Nimslo European 14pcBUns.Ln. £55.50
NMW Computers £10.25 10.75 (22/4)
North Sea Assets 137
Norton Villiers Triumph 1 2 (22/4)
ORE 140
Oil and Gas Exploration 65* (16/4)
Oldham Brewery 70 2 (16/4)
Oliver Prospecting 72* (22/4)
Padang Jawa Rubber 15 (22/4)
PMPA Insce 55½* (22/4)
Plantation and Gen. Invs. 76
Quaglinos 68 75
Quest Automation 177
Roche Plant 26 (16/4)
Seymours 4pcPf.Pf. 38 (21/4)
Sheraton Sec. Intnl. 18 ½ ¾ 19 (22/4)
Southern Newspapers 117 20 (22/4)
Star Offshore Services 55 (22/4)
Swan Hunter 1 (21/4)
Twinlock 15pcLn. 1976-99 £71¼ (22/4)
Webber Electro Comps. 130 (21/4)
Workington Brewery £79 (21/4)
Yelverton Invs. 60

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

American Oil Field Systems 100 ½ 1 2
Aran Energy 385 90 5
Atlantic Resources 228 33 5 40 5
Berkeley Exploration and Production 283 5 7 8 90
Candecca Resources 177 8 80
Marinex Petroleum 142 3 5 7
Sun Oil (UK) Oil Royalty 355 60 70

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UK MONEY MARKET

Bank of England Minimum Lending Rate 12 per cent (from March 10, 1981)

The Treasury bill rate fell by 0.0439 per cent at yesterday's tender to 11.2444 per cent and the minimum accepted bid rose to £97.19½ for 91-day bills and £97.17 for 92-day bills. The latter were met in full at that price while 91-day bills attracted bids of 69 per cent and above in full. The £100m of bills on offer attracted bids of £444.7m and all bills offered were allotted. Next week a further £100m of bills will be on offer, replacing a similar amount of maturities.

Day to day credit remained in short supply in the London money market and the authorities ying small amounts of Treasury buying small amounts of Treasury bills, local authority bills and eligible bank bills, direct from discount houses. The market was faced with a moderate excess of revenue transfers to the Exchequer over Government disbursements and a moderate increase in the note circulation. On the other hand banks brought forward balances a moderate way above target. In the interbank market weekend money opened at 12-12¼ per cent and traded at 11¾-12 per cent for most of the day. It dipped to 11-11½ per cent during the afternoon but closing balances were taken around 12 per cent.

EXCHANGES AND BULLION

Trading was particularly quiet in currency markets yesterday ahead of the weekend. Participation in the market was also affected ahead of the release later in New York of this week's money supply figures. A continuation of recent trends would point to further expansion and a probable tightening of Federal monetary policy. The dollar yesterday was quoted at DM 2.1775 against the D-mark compared with DM 2.1645 on Thursday and SwFr 1.9845 from SwFr 1.9740 in terms of the Swiss franc. However the dollar continued to lose ground against a very firm Japanese yen, closing at Y214.75 compared with Y215.0 previously. On Bank of England the dollar's index rose from 102.1 to 102.5.

Sterling was weaker overall and tended to drift in featureless trading. Against the dollar it opened at $2.1715 and by the afternoon had eased to $2.1650 as dollar demand increased with the entry of New York into the market. But the pound soon recovered and touched $2.1740 before closing at $2.1660-2.1670, a fall of 1½c from Thursday. Against European currencies sterling lost ground. In D-mark terms it finished at DM 4.72 compared with DM 4.7250 and SwFr 4.30 against SwFr 4.3075. However it improved against the French franc as the latter suffered ahead of the Presidential election and sterling rose to FFr 11.2250 from FFr 11.1925. On Bank of England figures its index eased to 99.3 from 99.6.

Gold closed at $494-497, a rise of $4 an ounce from Thursday and $13 from last Thursday week.

THE POUND SPOT AND FORWARD

April 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1650-2.1740	2.1660-2.1670	0.60-0.70c dis	−3.60	2.10-2.20dis	−3.97
Canada	2.5830-2.5925	2.5835-2.5845	1.05-1.15c dis	−5.11	3.30-3.50dis	−6.26
Nethlnd.	5.23-5.27	5.25½-5.26½	1¾-¾c pm	2.57	2¼-1¾ pm	1.33
Belgium	76.85-77.15	76.90-77.00	20-30c dis	−3.90	80-95 dis	−4.55
Denmark	14.85-14.89	14.86¼-14.87¼	¼ore pm-¼ dis	—	7¼-8¾ dis	−2.34
Ireland	1.2915-1.2955	1.2917-1.2927	0.34-0.47p dis	−3.76	1.02-1.15dis	−3.37
W. Ger.	4.71-4.74	4.71½-4.72½	¾pf pm-¼ dis	0.32	¼ pm-¼ dis	—
Portugal	126.40-127.20	126.90-127.10	10c pm-60 dis	−2.36	15-190 dis	−3.23
Spain	191.00-191.55	191.00-191.20	80-105c dis	−5.81	260-305 dis	−5.91
Italy	2,349-2,358	2,350-2,352	11½-13½ lire dis	−6.38	40½-43½ dis	−7.19
Norway	11.88-11.92	11.89-11.90	2½-¾ore pm	1.39	2-½ pm	0.40
France	11.16-11.24	11.22-11.23	¾c pm-¾ dis	−0.40	3¼-4¼ dis	−1.51
Sweden	10.22½-10.26	10.23¼-10.24¼	n/a	—	n/a	—
Japan	464-469	465-466	2.40-2.10y pm	5.80	5.65-5.35 pm	4.73
Austria	33.25-33.40	33.30-33.35	7gro pm-2 dis	0.90	6 pm-4 dis	0.12
Switz.	4.29-4.32	4.29½-4.30½	1½-1c pm	3.49	3-2½ pm	2.56

Belgian rate is for convertible francs. Financial franc 78.95-79.00
Six-month forward dollar 4.15-4.25c dis, 12-month 6.70-6.90c dis.

GOLD

	April 24		April 23	
Gold Bullion (fine ounce)				
Close	$494-497	(£228-229¾)	$490-493	(£224¼-225¾)
Opening	$490-493	(£225½-226¾)	$490-493	(£222½-226)
Morning fixing	$491.75	(£226.509)	$490.50	(£224.773)
Afternoon fixing	$494.50	(£227.618)	$488.50	(£223.980)
Gold Coins				
Krugerrand	$509-510	(£235-235½)	$505-506	(£231¼-231¾)
1/2 Krugerrand	$263-264	(£121¼-121¾)	$261-262	(£119½-120)
1/4 Krugerrand	$134-135	(£61¾-62¼)	$133-134	(£61-61½)
1/10 Krugerrand	$54¾-55¾	(£25¼-26½)	$54½-55½	(£25-25½)
Mapleleaf	$505-506	(£233-233½)	$501-502	(£229½-230)
New Sovereigns	$123¾-124¾	(£57-57½)	$122¾-123¼	(£56-56½)
King Sovereigns	$139-141	(£64½-65¼)	$139-141	(£63½-64½)
Victoria Sovs.	$139-141	(£64¼-65¼)	$139-141	(£63½-64½)
French 20s	$181-184	(£83½-85)	$179-183	(£81½-83)
50 pesos Mexico	$612-616	(£282½-284½)	$606-611	(£277½-280)
100 Cor. Austria	$477-481	(£220-222)	$473-478	(£217½-220)
$20 Eagles	$591-596	(£273-275½)	$591-596	(£271-273½)

EXCHANGE CROSS RATES

April 24	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.167	4.720	465.5	11.23	4.300	5.260	2351.	2.584	76.95
U.S. Dollar	0.462	1.	2.179	214.9	5.181	1.985	2.428	1085.	1.193	35.52
Deutschemark	0.212	0.459	1.	98.62	2.378	0.911	1.114	498.1	0.547	16.30
Japanese Yen 1,000	2.148	4.654	10.14	1000.	24.11	9.237	11.30	5050.	5.551	165.3
French Franc 10	0.891	1.930	4.205	414.7	10.	3.851	4.686	2094.	2.302	68.55
Swiss Franc	0.233	0.504	1.098	108.3	2.610	1.	1.223	546.7	0.601	17.90
Dutch Guilder	0.190	0.412	0.897	88.50	2.134	0.817	1.	447.0	0.491	14.63
Italian Lira 1,000	0.425	0.922	2.008	198.0	4.775	1.829	2.237	1000.	1.099	32.73
Canadian Dollar	0.387	0.838	1.827	180.1	4.344	1.664	2.036	909.8	1.	29.78
Belgian Franc 100	1.300	2.815	6.134	604.9	14.59	5.588	6.836	3055.	3.358	100.

FT LONDON INTERBANK FIXING (11.00 a.m. APRIL 24)

3 months U.S. dollars		6 months U.S. dollars	
bid 16 3/8	offer 16 1/2	bid 16 3/8	offer 16 1/2

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

LONDON MONEY RATES

April 24 1981	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ϕ	Eligible Bank Bills ϕ	Fine Trade Bills ϕ
Overnight	—	11-12¼	12⅛	—	—	11½	11⅝-12	—	—	—
2 days notice	—	—	12¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	12-12¼	12¼-12⅜	—	12⅛	12⅛	11⅞-12	—	—	—
One month	12⅜-12 7/16	12¼-12⅜	12¼	13⅝-13⅛	12⅜	12½	11⅞	11⅜	11 1/16	12¾
Two months	12⅜-12 7/16	12¼-12 5/16	—	13⅛-12¾	12⅝	12⅝	11¾	11 9/16	11 7/16-11 13/32	12⅛
Three months	12 7/16-12 5/16	12¼-12 5/16	12¼	12⅞-12½	12⅝	12½	11⅝	11¼-11 3/16	11 5/16-11 9/32	12¼
Six months	12 5/16-12 3/16	12⅛-12 3/16	12-12⅛	12¾-12⅜	12 5/16	12½	—	—	11 1/16	11¾
Nine months	12⅛-12	12¼-12 3/16	—	12⅝-12⅜	12½	12⅛	—	—	—	—
One year	12 1/16-11 15/16	12⅛-12 1/16	12¼-12⅜	12⅜-12⅛	12½	12⅛	—	—	—	—
Two years	—	—	12¾-12 7/8	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 12¾-13 per cent; four years 13-13⅛ per cent; five years 13¼ per cent. ϕBank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11½ per cent; four-month trade bills 12⅛ per cent.

Approximate selling rate for one-month Treasury bills 11¼-11 3/16 per cent; two-months 11 3/16-11⅛ per cent; three-months 11 1/16 per cent. Approximate selling rate for one-month bank bills 11⅜ per cent; two-months 11½-11 17/32 per cent; three-months 11⅜-11 7/16 per cent; one-month trade bills 12½ per cent; two-months 12¼ per cent and three-months 12 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13 per cent from April 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 11.2444 per cent.

CURRENCY MOVEMENTS

April 24	Bank of England Index	Morgan Guaranty Changes%
Sterling	99.3	−27.0
U.S. dollar	102.5	−2.2
Canadian dollar	86.2	−17.7
Austrian schilling	115.2	+22.6
Belgian franc	108.1	+9.9
Danish kroner	88.5	−10.8
Deutsche mark	120.2	+40.0
Swiss franc	133.9	+75.1
Guilder	111.3	+15.6
French franc	85.8	−10.5
Lira	59.0	−55.1
Yen	143.4	+38.8

Based on trade weighted changes from Washington agreement December, 1971. Bank of England Index (base average 1975=100).

EURO-CURRENCY INTEREST RATES (Market closing Rates)

April 24	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc Convertible	Japanese Yen
Short term	12⅛-12⅜	15½-15¾	16½-17½	9 9/16-10	4¾-5¼	8⅝-8⅞	12-12¼	17-18½	17-18½	5¼-5¾
7 days' notice	12⅛-12⅜	15⅝-15⅞	16½-17½	9 9/16-10	16¾-17¼	10¾-11	11½-12	18-19½	16-18	5¾-6¼
Month	12 5/16-12 7/16	15 13/16-16 1/16	17¼-17½	10 1/16-10 5/16	9⅝-9¾	12-12⅛	12⅞-13½	18¼-19¼	16-17	6 5/16-6 9/16
Three months	12 5/16-12 7/16	16⅛-16⅜	17¼-17½	10 3/16-10 7/16	9⅝-9¾	12 3/16-12 5/16	13⅜-13⅝	19-20	16½-17½	7¼-7½
Six months	12 5/16-12 7/16	16⅛-16⅜	16¾-17⅛	10 3/16-10 7/16	9½-9⅞	12¼-12⅜	13⅝-13⅞	19½-20½	16½-17½	7½-7¾
One Year	12 5/16-12 7/16	15⅝-15⅞	15¾-16⅛	10⅞-11	8¾-8⅞	11⅞-12	13⅝-13⅞	19¼-20¼	16-17	7¾-8

SDR linked deposits: one-month 13-13⅜ per cent; three-months 13⅜-13⅝ per cent; six-months 13 9/16-13 11/16 per cent; one-year 13⅛-13⅞ per cent.

ECU linked deposits: one-month 12 15/16-13 5/16 per cent; three-months 13 3/16-13 9/16 per cent; six-months 13⅛-13½ per cent; one-year 12⅞-13¼ per cent.

Asian $ (closing rates in Singapore): one-month 15⅞-16 per cent; three-months 16¼-16⅜ per cent; six-months 16¼-16⅜ per cent; one-year 15 9/16-15 11/16 per cent. Long-term Eurodollar two-years 15⅜-15⅝ per cent; three-years 15⅜-15⅝ per cent; four-years 15⅜-15⅝ per cent; five-years 15⅜-15⅝ per cent; nominal closing rates. Short-term rates are call for U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 15.60-15.70 per cent; three-months 15.85-15.95 per cent; six-months 15.80-15.90 per cent; one-year 15.45-15.55 per cent.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 24	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7985	41.2894	+1.23	+1.23	±1.5361
Danish Krone	7.91917	7.99601	+0.97	+0.97	±1.6413
German D-Mark	2.54502	2.53773	−0.29	−0.29	±1.1386
French Franc	5.99526	6.00734	+0.20	+0.20	±1.3638
Dutch Guilder	2.81318	2.81966	+0.23	+0.23	±1.5159
Irish Punt	0.685146	0.693868	+1.27	+1.27	±1.6683
Italian Lira	1262.92	1265.49	+0.20	+0.20	±4.1116

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

April 24	£	$		£ Note Rates
Argentina Peso	6740-6760	3110-3120	Austria	33.15-33.55
Australia Dollar	1.8755-1.8855	0.8670-0.8675	Belgium	78.75-79.55
Brazil Cruzeiro	175.39-176.39	80.95-81.35	Denmark	14.78-14.93
Finland Markka	9.03-9.04	4.1665-4.1675	France	11.12-11.22
Greek Drachma	115.164-116.026	52.75-53.90	Germany	4.71-4.75½
Hong Kong Dollar	11.624-11.644	5.3650-5.3680	Italy	2315-2375
Iran Rial	165.00*	76.50*	Japan	466-472
Kuwait Dinar (KD)	0.594-0.600	0.27540-0.27560	Netherlands	5.21½-5.26½
Luxembourg Frc.	76.90-77.00	35.51-35.53	Norway	11.86-11.98
Malaysia Dollar	5.02½-5.03½	2.3185-2.3205	Portugal	124-129
New Zealand Dlr	2.3985-2.4085	1.1080-1.092	Spain	186-197
Saudi Arab. Riyal	7.25-7.31	3.3595-3.3615	Sweden	10.24-10.34
Singapore Dollar	4.5825-4.5925	2.1145-2.1165	Switzerland	4.28-4.32
Sth African Rand	1.7583-1.7614	0.8116-0.8130	United States	2.15¾-2.17¾
U.A.E. Dirham	7.93-7.99	3.6720-3.6740	Yugoslavia	78½-81

Rate given for Argentina is free rate. * Selling rate.

U.K. CONVERTIBLE STOCKS 25/4/81

Statistics provided by dataSTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates⇔	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Div.♡	Cheap(+) Dear(−)◇ Current
British Land 12pc Cv. 2002	9.71	336.00	333.3	80-97	3.6	0.5	− 1.7	−5 to 0	18.4	86.0	19.8	+21.4
Hanson Trust 6½pc Cv. 88-93	3.02	143.00	57.1	76-82	4.6	0.6	− 5.6	−6 to −0	7.2	3.1	− 2.7	+ 2.9
Slough Estates 10pc Cv. 87-90	5.44	274.00	187.5	78-85	3.7		− 2.6	−5 to 1	28.8	32.4	1.3	+ 3.9
Slough Estates 8pc Cv. 91-94	24.88	134.00	78.0	80-91	6.1	4.2	14.5	7 to 19	28.4	48.2	16.9	+ 2.4

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness. ⇔ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

Hectic early trade sends equities to fresh records but tempo slackens and index rise clipped to 3 points

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Apr. 10	Apr. 29	Apr. 30	May 11
May 1	May 14	May 15	May 26
May 18	May 28	May 29	June 8

* "New time" dealings may take place from 9 am two business days earlier.

Early aggressive investment demand sent London equities to fresh records yesterday in hectic trading. Institutional operators returned to the scene with buying orders often too large for the market to accommodate. In order to complete, some fund managers were prepared to pay dearly for stock and, with smaller investors tending to operate on a similar tack, the response was measured by a jump of 11.7 in the 10 am FT Industrial Ordinary share index to within four points of the 600 level.

After the initial buying onslaught, the market settled down and most dealers were later able to trade on a two-way basis at declining prices. Profit-taking was considerable but acceptable, allowing jobbers to attain healthier book positions. The early double-figure gains in many top-quality stocks were later pared to a few pence and the 30-share index closed only 3 points up on balance at 587.3, but this represents a rise of over 117 points, or 25 per cent, since March 11, the day following the Budget. The main reason for the current boom remains mounting optimism about an end to recession and hopes of a swift upturn in industrial profits which yesterday left the three main FT-Actuaries indices at best-ever levels.

The committal of sizeable investment funds to equity markets left little money available for Gilt-edged securities, which displayed an irregular trend. Medium and longer-dated issues often regained Thursday's small losses of ¼, but the shorts closed with falls ranging to that fraction.

Demand for Traded options continued to improve and 3,021 deals were arranged, the highest of an active week. ICI remained to the fore with 601 trades, while Grand Metropolitan attracted 496.

Yesterday saw the debut of Intasun in the Unlisted Securities Market; from an opening level of 94p, the shares touched 96p before closing at 92p which compares with the minimum tender price of 86p.

Ottoman Bank jump

Royal Bank of Scotland rose 10 for a two-day advance of 18 to 192p following comment on the increased cash and shares bid, worth 214p per share, from **Standard Chartered**, a penny dearer at 626p, after 628p; **Hongkong and Shanghai** finished 3 better at 130p. Elsewhere in a firm banking sector, **Ottoman Bank** stood out with a jump of 7¼ points to £53 on revived speculative buying, while **Grindlays** added 6 to 198p for a similar reason. The major clearers continued firmly, **Barclays** adding 8 to 440p and **Midland** 5 to 338p. Among Hire Purchases, **FNFC** hardened ¾ to 29¼p, after 30½p, in response to Press comment.

A quiet sector of late, Breweries responded to investment buying and closed at the day's best. **Whitbread** added 7 to 165p, while **Bass** advanced 13 to 241p. **Distillers**, 212p, and **Arthur Bell**, 216p, added 6 apiece.

Building issues were well supported with stock shortages again accentuating gains in the leaders which closed at, or near, the day's best. **B.P.B.**, 290p, and **Tarmac**, 370p, firmed 6 apiece, while **Ready Mixed Concrete** improved 4 to 214p. **Tunnel B** touched 408p before closing 12 up at 402p following the increased profits and dividend forecast contained in the document rejecting T. W. Ward's bid for the company. Elsewhere, demand in a thin market lifted **Phoenix Timber** 8 to 98p.

Early demand lifted **ICI** to 310p before the close of 306p, up 8 on balance; the first-quarter figures are due next Thursday.

Newsagents firm afresh

Stores attracted good institutional support during the morning and the leaders retained useful gains. **Gussies A** closed 7 better at 500p, after 510p, while **British Home** rose 5 to 170p, after 173. Newsagents remained to the fore; still reflecting good annual figures, **John Menzies** rose 13 more to 408p. **W. H. Smith**, 183p, and **NSS**, 184p, advanced 12 and 17 respectively: the latter's annual results are expected next month. Mail-orders were also wanted with **Freemans** gaining 12 at 142p and **Empire** 6 at 136p. Interest was again noted for **Elys (Wimbledon)**, 11 up at 275p, and for **Grant Bros.**, 14 better at 147p, but *Owen Owen* encountered profit-taking and shed 16 to 199p, up 39 on the week.

Electrical leaders followed the general pattern, but profit-taking left most quotations well down on the day. **GEC** closed 9 off at 695p while **Plessey** touched 337p at one stage before settling at 325p, also 9 down on balance. **Racal** closed 6 cheaper at 382p and **Thorn EMI** 10 off at 405p. **Ferranti** also encountered offerings and gave up 15 to 540p, but **First Castle** were 5 up at 100p.

The Engineering leaders joined in the early advance before closing with irregular changes on the day. Still benefiting from the preliminary results, **Vickers** advanced afresh to 216p, but encountered sellers at that level and reacted to close 4 cheaper on balance at 206p. Elsewhere, **Clayton Son** jumped 14 to 68p in response to better-than-expected annual results, while **Amalgamated Power Engineering** rose 8 to 88p after the preliminary figures, proposed £2.8m rights issue and dividend forecast. **Haden Carrier** responded afresh to the good annual results and proposed one-for-one scrip issue, rising 18 more to 358p for a two-day gain of 48. **ML Holdings** rose 25 further to 350p in a limited market.

Foods attracted a good deal of early interest but closed well below the best on profit-taking. **Unigate** touched 128p before closing 4 up at 124p, while **Northern** finished 3 firmer at 188p, after 190p. **Tate and Lyle** reverted from 192p to the overnight level of 186p. **Kwik Save** became prominent in Retailers, touching 238p before closing 4 up at 234p; the preliminary results are due next Friday.

Grand Metropolitan closed only 3 dearer at 209p, after 212p, but **Trusthouse Forte** retained a gain of 5 at 253p.

Glaxo good

Miscellaneous industrial leaders brought a memorable week to an active and firm close. Although best levels were not held, closing gains ranged to 10 with **Glaxo** that much better at 358p, after 360p. **Unilever** also put on 10, to 518p, and **Reed International**, with the help of Press comment, advanced 9 to 268p. Elsewhere, **Foseco Minsep** rose 8 to 231p on buying ahead of next Wednesday's preliminary results, while **Hoover A** advanced 7 more to 152p ahead of Thursday's first-quarter figures. **Peter Black** firmed 9 to 140p on an investment recommendation and **Ofrex** rose 10 to 100p on speculative support.

De La Rue put on 20 to 725p and **Henry Boot** 15 to 190p, while **Powell Duffryn**, 273p, and **Metal Closures**, 119p, gained 13 and 10 respectively. **Oakwood** improved 7 to 140p and **Avon Rubber** 6 to 116p. **Hirst and Mallinson** edged forward a penny more to 32p on further consideration of the bid from Associated British Engineering, while **Mettoy** ended a penny dearer at 25p despite late details of the dividend cut and £3.5m annual deficit. **Amalgamated Metal** were marked down to 280p on the 36 per cent dividend cut but rallied to close 25 down on the day at 300p on consideration of the near-32 per cent improvement in annual profits.

Printing issues were featured by **John Waddington** which attracted late support and rose 18 to 132p.

Against the trend in Properties, **London Shop** shed 6 to 128p on news that McLeod Russel was considering selling its stake in the company, while **Dares Estates** gave up 1½ to 25½p following the annual loss. Elsewhere, **Thames Investment** firmed 4 for a two-day gain of 20 to 222p, while the 12 per cent Convertible improved 16 to 190p.

Oils below best

Trading in the Oil sector was at a low ebb and prices faltered after a fairly swift improvement in the early stages of business. **BP** finished 6 higher at 396p, after 402p, while **Shell** ended a similar amount dearer at 394p, after 398p. Following the chairman's annual statement, **Ultramar** closed 10 up at 460p.

Altifund Capital, up 14 at 383p, and **Dualvest Capital**, 18 higher at 486p, were prominent in a widespread advance in Trusts.

An active business was again transacted in **Rothmans** which touched 74p before settling for a net gain of 2½ at 72p. **Bats** remained firm in front of next Wednesday's interim statement and rose 9 for a two-day gain of 22 at 320p.

Golds steady

Gold shares ended the week on a quietly firm note as the bullion price edged up $4 to $495.50 an ounce—a week's improvement of $13. Share prices opened with modest gains and gradually moved ahead before easing to close a fraction below the day's best. The Gold Mines index put on 4.3 to 357.8.

In the heavyweights, **Western Holdings** rose ¾ to £34¾ following the increased interim dividend, while gains of around ½ were common to **Buffels**, £20¾, **Free State Geduld**, £23¾, and **Winkelhaak**, £13⅜.

The medium- and lower-priced issues were featured by **Welkom**, 37 better at 807p on the higher interim dividend.

Financials made modest progress, buoyed by Golds and the further gains in UK equities. **Charter** were 8 up at 243p and **Rio Tinto-Zinc** 7 firmer at 477p. **Minorco** eased 5 to 600p following the £52m agreed bid for Terra Chemicals International.

Elsewhere, **Burma Mines** moved up to a 1981 high of 24p on reports of a possible bid approach from Gasco (Netherlands) before easing to close a penny up on balance at 20p following Burma's bid for St. Piran.

FINANCIAL TIMES STOCK INDICES

	Apr. 24	Apr. 23	Apr. 22	Apr. 21	Apr. 16	Apr. 15	A year ago
Government Secs..	69.49	69.46	69.60	69.44	69.25	69.23	65.61
Fixed Interest......	71.34	71.22	71.20	71.15	71.10	71.13	66.48
Industrial Ord.........	587.3	584.5	584.3	566.1	568.5	549.1	427.5
Gold Mines.........	357.8	353.5	368.4	358.9	353.6	342.9	326.8
Ord. Div. Yield.........	5.60	5.62	5.65	5.81	5.78	5.98	8.23
Earnings, Yld.%(full)	11.04	11.02	11.03	11.34	11.28	11.62	20.08
P/E Ratio (net) (*)..	11.30	11.35	11.35	11.04	11.09	10.78	6.05
Total bargains.......	27,320	28,268	23,358	22,920	21,400	21,074	19,011
Equity turnover £m..	—	184.40	161.46	134.93	159.14	120.99	101.55
Equity bargains......	—	25,208	20,921	18,296	17,053	14,399	14,641

10 am 596.0. 11 am 594.7. Noon 590.6. 1 pm 588.7.
2 pm 588.4. 3 pm 588.6.
Latest Index 01-246 8026.
*Nil = 10.43.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

HIGHS AND LOWS

	1981 High	1981 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	70.61 (20/3)	68.05 (16/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int ...	72.01 (20/3)	69.98 (16/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind.Ord......	587.3 (24/4)	446.0 (14/1)	587.3 (24/4/81)	49.4 (26/6/40)
Gold Mines	421.1 (16/1)	281.4 (29/1)	558.9 (22/9/80)	43.5 (26/10/71)

S.E. ACTIVITY

	Apr. 23	Apr. 22
—Daily		
Gilt Edged Bargains...	154.5	155.6
Equities... Bargains...	163.3	136.6
Value	372.7	326.3
5-day Avrge.		
Gilt Edged Bargains ..	170.7	185.2
Equities... Bargains ..	124.2	111.7
Value	307.6	280.4

NEW HIGHS AND LOWS FOR 1981

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1981.

NEW HIGHS (487)

BRITISH FUNDS (1)
CORPORATION LOANS (1)
AMERICANS (14)
BANKS (9)
BEERS (20)
BUILDINGS (30)
CHEMICALS (9)
DRAPERY & STORES (34)
ELECTRICALS (11)
ENGINEERING (49)
FOODS (15)
HOTELS (5)
INDUSTRIALS (90)
INSURANCE (4)
LEISURE (4)
MOTORS (9)
NEWSPAPERS (10)
PAPER (7)
PROPERTY (14)
SHIPPING (3)
SHOES (1)
TEXTILES (4)
TOBACCOS (1)
TRUSTS (129)
OIL & GAS (1)
OVERSEAS TRADERS (3)
RUBBERS (3)
TEAS (2)
MINES (4)

NEW LOWS (28)

FOREIGN BONDS (1)
Sweden 13½pc 1986

AMERICANS (2)
Shell Oil Zapata Corp.

BANKS (1)
Union Discount

INDUSTRIALS (3)
Photo-Me Schlumberger
Rock Darham

PROPERTY (1)
Wereldhave

TRUSTS (1)
New Darien Oil

OIL & GAS (10)
Basic Resources Magnet Metals
CCP North Sea New Court Nat.
Candecca Ranger Oil
Charterhouse Silkolene
Hamsa Pet. Strata Oil

RUBBERS (1)
Rightwise

MINES (8)
Coronation Haoma Gold
Falcon North West Mining
Central Pacific Southern Pacific
Cultus Pacific Geevor

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	50	18	29	205	90	93
Corpns. Dom. and Foreign Bonds	5	3	59	33	12	223
Industrials	565	121	680	1,771	744	2,950
Financial and Props.	243	29	222	805	219	952
Oils	25	19	34	89	111	112
Plantations	8	4	11	23	21	48
Mines	56	33	77	245	124	295
Others	78	30	51	207	207	220
Totals	1,030	257	1,163	3,378	1,528	4,893

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price pence	Day's change	Stock	Closing price pence	Day's change
Bowater	271	+3	ICI	306	+8
Brit. Aerospace	232	−6	Plessey	325	−9
Burma Mines	20	+1	Rothmans	72	+2½
Distillers	212	+6	Royal Bk. of Scot.	192	+10
Glaxo	358	+10	Tunnel "B"	402	+12
Gus "A"	500	+7	Vickers	206	−4

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section

	Equity groups & sub-sections	Fri., April 24, 1981 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thurs., April 23 Index No.	Wed., April 22 Index No.	Tues., April 21 Index No.	Thur., April 16 Index No.	Year ago (approx.) Index No.	1981 High	1981 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (214)	364.69	+0.2	10.57	4.34	11.68	363.94	362.99	357.14	357.61	233.32	364.69 (24/4)	272.28 (15/1)	364.69 (24/4/81)	50.71 (13/12/74)
2	Building Materials (25)	322.08	+1.2	13.70	5.46	8.76	318.26	317.45	313.86	312.95	231.23	322.08 (24/4)	236.82 (13/1)	322.08 (24/4/81)	44.27 (11/12/74)
3	Contracting, Construction (28)	604.75	+1.4	15.55	4.44	7.66	596.68	599.13	591.89	585.45	349.02	604.75 (24/4)	403.39 (8/1)	604.75 (24/4/81)	71.48 (2/12/74)
4	Electricals (28)	1113.44	−1.1	7.83	2.39	15.85	1126.35	1127.15	1112.29	1115.63	605.34	1127.15 (22/4)	888.13 (15/1)	1127.15 (22/4/81)	84.71 (25/6/62)
5	Engineering Contractors (11)	493.48	+1.8	12.79	5.28	9.65	484.66	478.40	478.22	477.12	277.14	493.48 (24/4)	374.44 (20/1)	493.48 (24/4/81)	64.39 (2/1/75)
6	Mechanical Engineering (70)	230.26	+0.7	12.40	5.32	10.14	228.65	225.76	219.60	221.07	155.94	230.26 (24/4)	162.47 (15/1)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (13)	181.18	+1.5	8.78	6.81	14.76	178.52	177.53	172.69	174.92	162.26	181.18 (24/4)	127.24 (14/1)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (21)	110.19	+0.6	7.71	7.20	20.17	109.51	110.01	107.01	106.25	101.20	110.19 (24/4)	84.67 (23/1)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (18)	394.56	+0.7	10.41	5.21	11.48	391.78	391.93	387.74	386.96	0.00	394.56 (24/4)	277.55 (15/1)	394.56 (24/4/81)	277.55 (15/1/81)
21	CONSUMER GROUP (195)	289.06	+1.8	12.83	5.42	9.46	283.83	282.52	277.57	277.90	211.05	289.06 (24/4)	227.50 (14/1)	289.06 (24/4/81)	61.41 (13/12/74)
22	Brewers and Distillers (20)	313.47	+2.9	14.80	5.84	8.02	304.62	304.77	300.37	301.06	264.11	313.47 (24/4)	244.42 (13/1)	313.47 (24/4/81)	69.47 (13/12/74)
25	Food Manufacturing (21)	262.91	+1.4	15.04	6.00	7.90	259.27	258.01	256.25	256.16	188.73	262.91 (24/4)	204.17 (14/1)	262.91 (24/4/81)	59.67 (11/12/74)
26	Food Retailing (14)	551.50	+1.7	8.19	2.93	14.43	542.36	539.96	532.76	534.58	288.69	551.50 (24/4)	440.89 (11/3)	551.50 (24/4/81)	54.25 (11/12/74)
27	Health and Household Products (7)	310.75	+1.3	8.80	4.61	13.49	306.82	305.53	301.42	304.56	185.11	310.75 (24/4)	245.38 (14/1)	310.75 (24/4/81)	175.38 (28/5/80)
29	Leisure (22)	444.59	−0.2	11.46	5.04	10.56	445.48	443.76	434.86	433.99	282.99	445.48 (23/4)	327.38 (16/1)	445.48 (23/4/81)	54.83 (9/1/75)
32	Newspapers, Publishing (12)	511.24	+1.6	17.26	5.78	7.60	503.14	498.65	492.88	491.85	403.14	511.24 (24/4)	419.04 (15/1)	511.24 (24/4/81)	55.08 (6/1/75)
33	Packaging and Paper (14)	159.22	+2.5	17.15	7.25	6.82	155.41	157.86	155.47	155.92	128.95	159.22 (24/4)	108.85 (14/1)	159.22 (24/4/81)	43.46 (6/1/75)
34	Stores (44)	288.94	+2.4	10.28	4.38	12.76	282.12	280.68	272.32	271.18	208.81	288.94 (24/4)	238.15 (15/1)	288.94 (24/4/81)	52.63 (6/1/75)
35	Textiles (22)	168.77	+0.2	12.89	7.71	10.52	168.47	169.04	164.98	164.15	120.21	169.04 (22/4)	122.37 (19/1)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	246.01	+2.1	23.10	9.46	4.94	241.07	233.63	232.06	235.74	195.02	246.01 (24/4)	193.57 (19/1)	339.16 (2/8/72)	94.34 (13/6/62)
39	Other Consumer (16)	309.62	+2.6	8.32	6.21	14.95	301.87	295.70	293.38	293.28	0.00	309.62 (24/4)	231.28 (4/2)	309.62 (24/4/81)	231.28 (4/2/81)
41	OTHER GROUPS (79)	246.97	+1.4	12.49	6.09	9.88	243.50	243.71	237.88	236.69	195.28	246.97 (24/4)	203.40 (13/3)	246.97 (24/4/81)	58.63 (6/1/75)
42	Chemicals (15)	309.90	+2.0	10.40	6.66	12.19	303.96	304.06	293.25	290.48	289.67	309.90 (24/4)	235.35 (13/3)	329.77 (4/5/79)	71.20 (1/12/74)
44	Office Equipment (6)	127.99	−1.1	14.40	6.49	8.18	129.38	129.79	125.60	124.92	105.63	129.79 (22/4)	93.19 (14/1)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)	644.76	+0.7	13.21	5.75	9.04	640.33	642.33	636.81	635.75	460.23	644.76 (24/4)	518.82 (15/1)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (45)	306.85	+1.8	14.14	5.43	8.74	301.45	301.42	297.21	296.91	236.89	306.85 (24/4)	249.71 (19/1)	306.85 (24/4/81)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (488)	309.21	+1.2	11.93	5.10	10.26	305.66	304.70	299.27	299.40	219.68	309.21 (24/4)	241.24 (15/1)	309.21 (24/4/81)	59.01 (13/12/74)
51	Oils (12)	828.64	+1.5	21.67	6.80	5.16	816.32	804.88	821.25	834.33	691.66	923.71 (2/1)	755.27 (7/4)	1065.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	350.78	+1.2	13.67	5.40	8.72	346.54	344.78	340.96	342.07	257.15	350.78 (24/4)	290.43 (14/1)	350.78 (24/4/81)	63.49 (13/12/74)
61	FINANCIAL GROUP (118)	264.63	+1.1	—	5.33	—	261.85	262.36	259.96	259.68	195.10	264.63 (24/4)	227.09 (19/1)	264.63 (24/4/81)	55.88 (13/12/74)
62	Banks (6)	267.33	+1.9	34.61	6.77	3.37	262.44	259.57	254.03	254.89	212.45	267.33 (24/4)	220.84 (11/3)	288.32 (20/7/72)	62.44 (12/12/74)
63	Discount Houses (10)	303.05	−0.1	—	6.27	—	303.50	303.50	300.64	301.56	226.87	314.03 (20/3)	290.51 (15/1)	314.03 (20/3/81)	81.40 (10/12/74)
64	Hire Purchase (4)	267.05	+0.2	8.43	4.65	16.41	266.50	267.04	267.16	268.40	197.95	274.53 (25/3)	194.82 (8/1)	433.74 (4/5/72)	38.83 (11/12/74)
65	Insurance (Life) (10)	271.75	+1.0	—	5.51	—	269.01	270.89	268.40	268.92	176.62	274.72 (2/4)	222.74 (7/1)	274.72 (2/4/81)	44.88 (2/1/75)
66	Insurance (Composite) (9)	167.43	+0.8	—	7.34	—	166.14	167.94	167.70	168.28	122.48	172.74 (9/4)	142.06 (19/1)	183.32 (18/9/80)	43.96 (13/12/74)
67	Insurance Brokers (8)	382.58	+1.4	11.91	6.02	11.39	377.47	381.26	374.51	371.84	288.83	382.58 (24/4)	294.21 (20/1)	382.58 (24/4/81)	65.86 (16/12/74)
68	Merchant Banks (13)	161.00	+1.1	—	4.87	—	159.32	158.04	158.43	158.34	101.95	161.00 (24/4)	143.07 (20/1)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (48)	511.32	+0.7	2.97	2.47	46.44	507.64	508.61	506.32	501.31	383.01	517.77 (2/4)	435.73 (16/1)	517.77 (2/4/81)	56.01 (20/4/65)
70	Miscellaneous (10)	172.23	+0.8	18.23	6.01	6.67	170.79	173.33	170.24	171.00	126.61	180.91 (2/3)	165.30 (19/1)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	318.10	+1.0	—	4.85	—	314.82	313.99	312.59	309.15	210.08	318.10 (24/4)	271.01 (23/1)	318.10 (24/4/81)	71.63 (13/12/74)
81	Mining Finance (3)	240.44	+1.4	14.03	5.58	8.27	237.19	242.85	238.63	239.22	189.31	244.84 (9/4)	200.76 (6/2)	277.15 (30/10/80)	66.31 (30/9/74)
91	*Overseas Traders (20)*	478.55	+1.3	11.25	6.09	10.90	472.63	476.43	471.54	470.76	377.86	478.55 (24/4)	420.28 (14/1)	478.55 (24/4/81)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	331.87	+1.2	—	5.38	—	327.97	327.10	323.68	324.15	242.76	331.87 (24/4)	278.20 (14/1)	331.87 (24/4/81)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri. April 24	Day's change %	Thurs., April 23	xd adj. today	xd adj. 1981 to date
	British Government					
1	5 years	108.54	−0.04	108.59	—	3.75
2	5-15 years	111.75	+0.14	111.59	—	3.86
3	Over 15 years	115.23	+0.12	115.09	—	4.65
4	Irredeemables	129.63	+0.25	129.31	—	1.78
5	All stocks	111.60	+0.08	111.51	—	4.02
6	Debentures & Loans	87.94	+0.13	87.83	—	3.66
7	Preference	67.80	—	67.80	—	2.88

	AVERAGE GROSS REDEMPTION YIELDS		Fri. April 24	Thurs., April 23	Year ago (approx.)	1981 Highs	1981 Lows
	British Government						
1	Low	5 years	11.62	11.58	12.85	11.98 (8/1)	11.20 (20/3)
2	Coupons	15 years	12.10	12.11	12.66	12.54 (16/1)	11.86 (20/3)
3		25 years	12.20	12.21	12.66	12.66 (6/3)	11.88 (6/1)
4	Medium	5 years	13.15	13.11	14.71	13.65 (16/1)	12.91 (20/3)
5	Coupons	15 years	13.62	13.64	14.29	14.13 (16/1)	13.32 (20/3)
6		25 years	13.36	13.36	14.12	13.89 (16/1)	13.03 (20/3)
7	High	5 years	13.10	13.07	14.74	13.71 (15/1)	12.93 (20/3)
8	Coupons	15 years	13.83	13.84	14.63	14.35 (16/1)	13.54 (20/3)
9		25 years	13.55	13.55	14.55	14.10 (16/1)	13.15 (20/3)
10	Irredeemables †		11.61	11.63	11.98	11.89 (6/3)	11.35 (20/3)
11	Debs & Loans	5 years	14.48	14.43	15.30	14.81 (30/3)	13.80 (27/3)
12		15 years	14.40	14.43	15.84	14.67 (30/3)	14.16 (27/3)
13		25 years	14.40	14.43	14.79	14.48 (14/4)	14.25 (27/3)
14	Preference †		14.47	14.47	15.84	14.47 (24/4)	14.29 (27/3)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Miscellaneous Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 26½p.
CONSTITUENT CHANGE: Denbyware (Other Consumer) has been deleted and replaced by Saatchi & Saatchi (Miscellaneous Unclassified).

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing Price p	+ or −	Div. or Amount	Times Covered	Gross Yield	P.E. Ratio
‖ ‖	F.P.	—	£19⅝	£18¼	Amdahl	£18¾	......	Q40c	—	0.9	—
‖	F.P.	—	300	230	✱Atlantic Res.	230	−5	—	—	—	—
150	F.P.	3/4	259	170	British Aerospace 50p	232	−6	b7.8	2.0	4.8	14.9
§90	F.P.	15/5	120	89	✱Consultants 10p	113	......	—	—	—	
100	F.P.	1/5	120	105	Cystic Fibr Inv Tst £1	115	......	—	—	—	—
‖ §	F.P.	—	185	112	†† Eglinton Oil & Gas	178	−2	—	—	—	—
75§	F.P.	30/4	105	84	Espley-Tyas Prop.	88	......	b3.92	1.2	6.4	18.5
30	F.P.	24/4	49	36	✱Euroflame	49	+1	b2.1	2.5	6.2	9.3
100	F.P.	22/5	111	102	G.T.GlobalRec.Inv Tst	111	+1	—	—	—	—
‖ ‖	F.P.	—	62	56	✱Harvey & Thompson	57	......	g2.24	1.1	5.6	22.4
‖ ‖	F.P.	—	96	92	✱Intasun	92	......	g1.8	4.3	4.4	6.7
§84	F.P.	15/5	111	93	✱Metal Bulletin	107	+1	T5.0	1.7	6.6	12.5
18§	F.P.	—	22	20½	Munton Bros. 10p	21	+½	—	—	—	11.9
—	F.P.	—	57	44	New Darien Warrants	49	......	—	—	—	—
‖ ‖	F.P.	—	5	3½	✱Reliant Motors	3½	−½	—	—	—	—
25	F.P.	—	24	20	Stone Platt Cnv Cm Pf	24	+3	—	—	—	—
100	F.P.	21/4	101	92	T. R. Energy	92	......	—	—	—	—

FIXED INTEREST STOCKS

Issue price	Amount Paid Up	Latest Renunc. Date	1981 High	1981 Low	Stock	Closing Price	+ or −
¶	£10	18/6	10¼	10	Cambridge Water 8% Prf. 1986	10	......
* *	F.P.	13/5	34p	32p	Colonial Secs. 70% Cum. 2nd Pref. 5p	33p	......
100	F.P.	1/5	74	70	Cystic Fibrosis Res'ch In. Tst. 5%Deb.'86	70	......
97¾	£10	10/7	11	9¾	Leeds (City of) 13½% Red. 2,006	10 1/16	−1/16
‖	Nil	—	7p	4p	Norton (WE) 11% Cnv. Cum. Rd. Prf.	4p	−1
100	F.P.	24/4	101	92½	PMA 10% Cnv. Cum. Red. Prf. N/Pd.	92½	−2½
£98¾	£20	—	£20	£19	Petroleos Mex. 14½% Ln.Due.2006 £20%pd	£19⅛	−¼
100	F.P.	24/4	134	114	SuterElect.9%Cv.subunsLn95-2000N/Pd	125	+7
¶	F.P.	26/6	102½	102½	Sutton District Water 8% Pref.	102½	......
£96¾	£25	—	26 1/16	25 1/16	Swansea (City of) 13¾% Red. 2006 £25pd	26 1/16	+1/16
¶	F.P.	4/6	103	102¼	West Hampshire Water 8% Red. Prf.'86	102½	......

"RIGHTS" OFFERS

Issue Price p‡	Am'unt paid up	Latest Renunc. Date ●	Latest Renunc. Date ■	1981 High	1981 Low	Stock	Closing price p‡	+ or −
154	F.P.	9/3	22/5	220	171	Assoc. Dairies	216	+8
2	F.P.	8/4	29/5	6	2	Barker & Dobson A.	6	+½
$A9	Nil	—	—	315pm	175pm	Broken Hill Prop.	295pm	+3
53	Nil	—	—	11pm	7½pm	Country & New Town Props	11pm	......
103	Nil	—	—	30pm	14pm	Hong Kong & Shanghai Bank	21pm	+1
48	F.P.	10/4	29/5	74	64	I.M.L.	74	+2½
Ir165	Nil	—	—	33pm	30pm	Rohan Group	30pm	......
145	F.P.	24/4	22/5	176	162	Spirax-Sarco	176	+4
6	Nil	—	—	5pm	3¼pm	Sterling Credit	5pm	......
40	F.P.	24/4	29/5	69	53	Suter Electrical	61	+7
82	Nil	24/4	22/5	117	100	Thermal Syndicate	116	......
A1¾	75c	—	—	95	69	Woodside	86	−2
36	Nil	20/3	10/4	3pm	1½pm	Yorks & Lancs Inv. Tst.	1½pm	......

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. p‡ Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Dealings under special Rule. ✱ Unlisted Securities Market. ‡‡ London Listing. † Resulting from debt settlement scheme. ‡‡ Units comprising 125 A Ord. & 6 12½% Cum. Pref.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Am. Gth. Tst.	59.5	64.0	.....	2.27
Abbey Capital	53.4	57.7xd	+0.9	3.81
Abbey General	61.5	66.5	+1.3	4.62
Abbey Gilt & F.I. Tst.	106.5	112.1xd	-0.1	11.69
Abbey Income	40.2	43.5xd	+0.6	8.07
Abbey W'w.Bd.Tst.	95.7	101.3	+0.3	6.61
Abbey Inv. Tst. Fd.	54.6	59.0	+0.2	4.07
Equitas Prog. Tst.	88.3	95.5	+1.8	4.28

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt Trust	87.2	91.7	+0.3	12.65

Allied Hambro Ltd. (a) (g)
Hambro Hse., Hutton, Brentwood, Essex.
01-588 2851 or Brentwood (0277) 211459

Balanced Funds				
Allied 1st	98.7	105.6	+1.5	5.30
Brit. Inds. Fund	86.0	92.0	+1.7	5.54
Growth & Income	56.3	60.2	+0.9	4.49
Elect. & Ind. Dev.	49.4	52.9xd	+1.0	4.73
Allied Capital	104.8	112.1xd	+1.7	3.93
Hambro Fund	145.6	155.6	+2.8	5.37
Hambro Acc. Fund	198.5	212.2	+3.7	3.86
Income Funds				
High Yield Fd.	74.4	79.6	+1.4	7.54
High Income	88.1	94.3xd	+1.5	6.79
Equity Income Fd.	51.0	54.6	+1.0	6.70
Govt. Secs.	26.1	26.8	.....	11.57
International Funds				
International	36.9	39.5	+0.2	2.10
Japan Fund	26.1	27.9	+0.1	0.23
Pacific Fund	72.2	77.3	+0.5	0.81
Secs. Of America	79.8	85.4	+0.2	1.87
Specialist Funds				
Smaller Co.'s Fd.	62.3	66.7	+0.8	3.90
2nd Smlr. Co's Fd.	76.7	82.1xd	+1.0	3.65
Recovery Sits.	152.2	162.8xd	+1.9	4.67
Met. Min. & C'dty.	69.3	74.2xd	+0.6	4.95
Overseas Earnings	75.6	80.9	+1.3	4.56
Exempt Funds				
Income Exempt	57.8	60.7	+1.2	7.00
Far East Exempt	76.0	79.0	+0.5	0.95
Smaller Co. Exempt	98.5	103.4xd	+0.9	3.87
U.S.A. Exempt	133.4	138.7xd	+0.3	2.24

Anderson Unit Trust Managers Ltd.
158, Fenchurch St., EC3M 6AA. 623 9231

Anderson U.T.	72.7	77.9xd	.....	3.19

Ansbacher Unit Mgmt. Co. Ltd.
1, Noble St., EC2V 7JA. 01-726 4931

Inc. Monthly Fund	154.0	164.0	.....	12.00
*Leics.&Gen.Fd.	53.5	56.5	.....	—

Anthony Wieler Unit Tst. Mgmt. Ltd.
19, Widegate St., London, E1 7HP. 01-247 8827

Wieler Gwth Fd. Inc.	40.8	43.0	.....	3.35
Do. Accum.	52.0	54.7	.....	3.35

Arbuthnot Securities Ltd. (a)(c)
37, Queen St., London, EC4R 1BY. 01-236 5281

Capital†	36.4	38.9	.....	—
Commodity***	94.6	101.2	.....	2.57
(Accumulation)	148.0	158.3	.....	2.57
(10% Withdrawal)	71.4	76.3	.....	2.57
Eastern & Internat'l.†	46.6	50.2	.....	1.00
(6% Withdrawal)	31.9	34.4	.....	1.00
Extra Income	100.9	108.5	+1.0	9.08
(Accumulation)	120.5	129.6	+1.2	9.08
Finance & Property*	28.1	30.3	.....	3.58
Foreign††	142.7	148.7	.....	1.00
Giants	51.5	55.1	+1.4	4.19
(Accumulation)	67.4	72.1	+1.9	4.19
Gilt & Fixed	43.1	45.2	.....	12.01
(Accumulation)	46.6	48.9	-0.1	12.01
Growth	46.0	49.2	+0.6	4.00
(Accumulation)	60.5	64.7	+0.5	4.00
High Income	39.1	41.8	+0.5	8.65
(Accumulation)	66.4	71.0	+0.8	8.65
(8½% Withdrawal)	51.9	55.5	+0.7	8.65
High Yield	45.5	49.0	+0.2	10.01
(Accumulation)	81.9	88.1	+0.3	10.01
North American††	39.1	42.1	.....	1.00
Preference	21.6	23.3xd	.....	13.79
(Accumulation)	43.9	47.3xd	.....	13.79

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres., Edinburgh 3 031-226 4931

Cres. Amer. Fd.	44.4	47.9	+0.4	0.52
Cres. Internat'l.	86.1	93.0	+0.7	1.68
Cres. High. Dist.	49.6	53.5	+1.1	8.88
Cres. Reserves	55.1	59.5	+1.1	4.94
Cres. Tokyo	35.3	38.1	+0.5	0.92

Darlington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	23.6	25.0xd	.....	8.70

Discretionary Unit Fund Managers
36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. April 9	252.6	269.4	.....	4.83

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	19.8	21.9	.....	6.45
Gt. Winchester O'seas	29.3	32.6	.....	3.26

For Emson and Dudley see Robert Fraser Tst. Mgmt.

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	97.1	102.2xd	+2.0	4.24

Fidelity International Management Ltd.
62-63 Queen St, London EC4 1AD 01-248 4891

American (z)	40.7	43.8	+0.5	0.56
Amer. Spec. Sits. (z)	29.6	31.9	+0.5	0.95
Gilt + Fixed Int.	25.1	26.3xd	.....	11.99
Growth + Income	36.3	39.1	+0.6	6.12
Maximum Inc. Eq. Tst.	31.0	33.4	+0.7	8.09
Special Sits.	44.0	47.4	+0.4	1.60

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	41.3	44.4xd	.....	1.75
Accum. Units	51.2	55.1xd	.....	1.75
J. Finlay High Income	38.6	41.5xd	.....	9.25
Finlay Wld. Energy	17.9	19.2xd	.....	1.38
Accum. Units	23.1	24.8xd	.....	1.38
J. Finlay Fd. In. Tst.	41.1	44.2xd	.....	4.92
Accum. Units	53.3	57.3xd	.....	4.92

Prices on April 22. Next dealing April 29.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

Amer. & Gen.	88.2	94.2	+1.0	0.72
Am. T'around	82.4	88.0	+1.4	1.38
Capital Tst.	67.6	72.2xd	+1.0	4.60
(Accum. Units)	71.4	76.2	+1.0	4.60
Convertible & Gilt	50.2	52.8	+0.2	9.56
(Accum. Units)	50.2	52.8	+0.2	9.56
Extra Income Trust	58.8	62.8	+1.0	8.39
Income Tst.	46.8	50.0	+0.8	6.88
Int. Growth Fd.	69.4	74.2xd	+0.6	1.57
(Accum. Units)	74.8	80.0	+0.8	1.57

Robert Fraser Trust Mgt. Ltd.
28b Albemarle St., W.1. 01-493 3211

Robt. Fraser Ut. Tst.	87.1	93.7xd	.....	6.00

Friends' Provdt. Trust Mgrs. (a) (b) (c).
Pixham End, Dorking. 0306 5055

Friends Prov. Units	71.4	76.3	+1.2	3.83
Do. Accum.	102.8	109.9	+1.8	3.83

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital April 15	145.8	148.7xd	.....	4.71
Gross Inc. April 15	86.0	88.2	.....	10.88
High Yield April 15	98.9	104.3	.....	9.97

*Unauth. Restricted to monies under Court control.

G.T. Unit Managers Ltd.♥
16, Finsbury Circus, EC2M 7DJ. 01-628 8131

G.T. Cap. Income	167.2	179.7	+3.8	1.80
Do. Acc.	214.8	230.9	+4.9	1.80
G.T. Inc. Fd. Un.	228.9	246.2	+4.0	7.60
G.T. U.S. & Gen.	230.1	247.4	+2.0	1.30
GT Wld. Bd. Fd.	97.1	101.1	+0.1	5.90
G.T. Japan & Gen.	110.1	118.3	+2.4	1.30
♣Gt. Pens. Ex. Fd.	380.0	400.0	+8.9	1.40
G.T. Int'l. Fund	262.1	281.9	+4.1	1.70
G.T. Four Yds. Fd.	64.2	69.0	+1.2	6.00
G.T. Far East & Gen.	102.1	109.8	+1.6	1.20

G. & A. Trust (a) (g)

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99⅝	97⅛	Exch. 8¼pc 1981	99⅝	+⅛	8.28	11.20
99⅝	97¾	Exch. 9½pc 1981	99⅞		9.56	11.77
97⅝	93¾	Exch. 3pc 1981	97⅛		3.08	11.54
99⅞	99⅛	Treas. Variable '81§§	99⅞xd		13.45	12.33
100¾	99¼	Exch. 12¾pc 1981‡‡	100¾xd		12.66	11.38
97⅞	95⅛	Treas 8½pc '80-82‡‡	97⅞		8.69	11.66
95	91⅞	Treasury 3pc '82‡‡	94⅝		3.18	10.41
102⅞	100⅞	Treasury 14pc '82‡‡	101⅞		13.73	11.55
99	98⅛	Treas. Variable '82§§	98⅞	−⅛	11.92	12.74
95¾	93⅛	Treasury 8¼pc '82	95⅞	−⅛	8.63	12.98
96⅞	93⅞	Exch. 9¼pc 1982	95⅞	−⅛	9.67	12.23
94⅞	92⅞	Exch. 8¾pc 1983	94⅝	−⅛	9.25	12.32
89¼	84⅞	Exch. 3pc 1983	88⅛		3.40	10.29
99⅞	97⅛	Treasury 12pc 1983‡‡	98⅝	−⅛	12.17	12.80
98½	96¾	Treas. Variable '83§§	98⅛xd	−⅛	13.50	12.77
94⅛	92¼	Treasury 9¼pc '83	93⅞	−⅛	9.87	12.57
101⅞	100¼	Exch. 13½pc '83	101⅞xd	−⅛	13.29	12.77
95⅛	92¼	Exch. 10pc 1983	93⅝	−¼	10.68	12.91
87¼	84⅛	Funding 5½pc '82-84‡‡	86¾		6.34	11.27
96¾	94⅞	Exch. 11¼pc 1984	96¼	−⅛	11.69	12.84
103⅞	101⅞	Exchequer 14pc 1984	103⅛xd	−⅛	13.58	12.79

Over Fifteen Years

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
92½	85½	Treasury 11¾pc 03-07	91½	+⅛	13.29	13.34
93⅝	86⅛	Do. 'A'	92⅝	+⅛	13.28	13.32
103⅞	95¾	Treas. 13½pc '04-08	100⅞	+⅛	13.54	13.53
50⅝	47	Treasury 5½pc '08-12‡‡	49½	+⅛	11.28	11.63
66¾	62½	Treasury 7¾pc '12-15‡‡	65¾		12.14	12.26
98⅛	91⅛	Exch. 12pc '13-'17	97⅛	+⅛	12.95	12.95

Undated

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
33¾	31¼	Consols 4pc	33		12.47	—
32¼	30½	War Loan 3½pc‡‡	32	+⅛	11.44	—
37⅝	35¾	Conv. 3½pc '61 Aft.	36		9.79	—
25	23⅛	Treasury 3pc 66 Aft.	24		12.60	—
21⅛	20	Consols 2½pc	20¾		12.14	—
21	19⅛	Treasury 2½pc	20¼		12.46	—

INTERNATIONAL BANK

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
91	87	5pc Stock '77-82	91		5.49	12.49

CORPORATION LOANS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
93½	91½	Bath 11¼pc 1985	93½		12.03	13.21
98	95½	Birm'ham 12½pc 1985	98		12.76	13.11
102	97¼	Burnley 13pc 1987	102	+¼	13.37	13.66
95½	90	Cardiff 11pc 1986	91xd	+¼	12.05	13.26
100⅛	98¼	G.L.C. 12½pc '82	100⅛		12.48	12.39
99	97	Do. 12½pc 1983	98¾		12.66	13.14
95⅛	92½	Glasgow 9¼pc '80-82	95⅛		9.70	12.55
75½	72	Herts 6¾pc 1985-87	75½		9.10	12.85
91½	89¼	Liverpool 9¾pc '80-84	91½		10.66	13.19
26	25	D. 3½pc Irred.	25¾xd	+½	13.89	—
100½	98¼	Lon. Corp. 13¼pc '83	100½		13.18	13.00
88¾	88	Do. 9¼pc '84-85	88½		10.44	12.66
97⅞	94	L.C.C. 5½pc '77-81	97⅞		5.65	11.93
80½	78¾	Do. 5½pc '82-84	80½		6.83	12.99
71¼	67¾	Do. 5½pc '85-87	70¾		7.98	12.99
70¼	66¼	Do 6¾pc '88-90	69¾		9.93	12.73
23¾	23	Do. 3pc '20 Aft.	23		13.47	—
97¼	95¼	Sunderland 12¼pc 1984	97¼		12.60	13.18

COMMONWEALTH AND AFRICAN LOANS

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
95	92¾	Aust. 5½pc '81-82	94½		5.83	11.91
87½	83½	Do. 6pc 1981-83	87½		7.03	12.74
67¼	63¾	N.Z. 7¼pc 1988-92	67		11.16	13.36
81¾	78	Do. 7½pc '83-86	81¾		9.46	13.13
99½	94¾	Sth. Africa 9½pc '79-81	96⅛		9.84	16.21
141	115	S. Rhod. 2½pc Non-Ass	139		—	—
59	43	Do. 3½pc 80-85 Assd.	56		6.29	18.70
40	26	Do 4½pc 87-92 Assd	37		12.45	[illegible]
395	333	Zimbabwe Ann (£100pa)	383		—	22.02

LOANS

Public Board and Ind.

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
64	61¾	Agric. Mt. 5pc '59-89	64		7.98	12.34
29½	28¾	Met. Wtr. 3pc 'B'	29		10.48	12.73
114	98½	U.S.M.C. 9pc 1982	113		8.24	—
97½	92½	Do. without Warnts.	97½		9.60	14.30

Financial

1981 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
101½	99¾	FFI 14pc '83	100¾	+⅛	13.90	13.63
92	88½	FFI UK Fr. 5¼pcDb. '80-2	92xd		6.02	12.43
83½	80	Do. 6¼pcDb. '81-84	83½		7.76	13.25
93	86½	Do. 10¼pc Uns Ln. '86	93		11.69	13.50
92	79¾	Do. 11pc Uns.Ln. '88	92		12.40	13.20
92	86½	Do. 11½pc Uns.Ln. '90	92		13.30	14.20
94½	88½	Do 12½pc Un. Ln. 1992	92½xd		13.51	13.85
64½	60	Do. 7¼pcADeb. '89-92	64¼	−¼	11.83	14.10
62	59	Do. 7½pcADeb. '91-94	61xd	−½	11.78	13.55
72½	68	Do. 9pc 'A' '91-94	71¼xd		12.63	13.75
70	65	Do. 8⅞pcLn. '92-97	67		13.69	14.45

FOREIGN BONDS & RAILS

1981 High	Low	Stock	Price £	+ or −	Div. % Gross	Red. Yield
62½	58	Antofagasta Rly.	60	+2	—	—
55	55	Do. 5pc Pref.	55		—	—
98	98	Chilean Mixed	98		3	f3.06
28	20	Chinese 4½pc 1898	20		—	—
22	17	Do. 5pc 1912	17		—	—
18	11	Do. 5pc 1913	11		—	—
16	11	Do 5pc '25 Boxer	11		—	—

AMERICANS

CANADIANS

1981 High	Low	Stock	Price	+ or −	Div. Gross	Cvr	Yld Gr's
19⅞	13⅞	Can. Pacific $5	18⅝	+¼	$1.90	—	3.8
31¼	30¼	Do. 4pc Deb £100	30⅞		4%	—	13.2
10¾	790p	Can. P. Ent.II	10		$1.12	—	4.2
10⅜	810p	Gulf Can.II	10		44c	—	1.6
11	945p	Hawker Sid. Can.II	950p	+5	96c	—	3.8
19	15⅞	Hollinger $5	18⅝	−¼	$2.20	—	4.4
985p	812p	Hudson's Bay II	960p	+10	$1.20	—	4.7
990p	795p	Hud.B.Oil G. $2½	915p	−20	32c	—	1.3
13¾	11½	Imperial OilII	13	−¼	$1.40	—	4.0
10½	765p	Inco II	990p	−5	$US72c	—	3.2
670p	450p	Int. Nat. Gas $1	635p		$1.00	—	5.9
210p	155p	Massey Ferg.II	185p		—	—	—
120p	95p	Place Gas $1	95p	−5	—	—	—
16⅛	10¼	Rio Algom	15⅛	+⅜	$1.50	—	3.7
12	10⅞	Royal Bk. Can. $1	11⅞	+⅛	$1.60	—	5.1
26	23¾	Seagram Co. C$1	24⅞xd	+⅛	US$1.40	—	2.5
13⅛	11¼	Tor. Dom. Bk. $1	12¾		$1.60	—	4.7
10½	750p	Trans Can. Pipe	10⅛	−⅛	$1.16	—	198.3

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

ELECTRICALS

ELECTRICALS—Continued

ENGINEERING MACHINE TOOLS

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCE—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—Continued

Australian

Tins

Copper

Miscellaneous

High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
55	40	Barymin	44	......	—	—	—
24	14	Burma Mines 10p	20	+1	0.75	0.9	5.4
315	180	Colby Res. Corp.	215	+5	—	—	—
270	200	Cons. Murch. 10c.	260	......	t030c	1.8	6.6
98	75	††Hemerdon 10c.	85	......	—	—	—
180	135	Highwood Res.	155	......	—	—	—
400	300	Northgate C$1	360	−5	—	—	—
487	372	R.T.Z.	477	+7	16.0	q3.1	4.9
£114	£93½	Do 9½%CaUn.Ln.'95-2000	£114	+1	Q9½%	—	f7.2
143	118	††SPO Minerals 10p	118	......	—	—	—
47	33	Sabina Inds. C$1.	37	−3	—	—	—
38	28	††SWCM 10p	34	−1	—	—	—
550	465	Tara Exptn. $1	505	+5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to any listing requirements.
- ‡‡ Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ◆ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ★ Regional price.
- || No par value,

§§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ★★ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital;cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. x Prospective real rate of return. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −	IRISH	Price	+ or −
Albany Inv. 20p	42	......			
Berlam	14	......	Conv. 9% '80/82	£93⅝	......
Bdg'wtr. Est. 50p	500	......	Nat. 9¼% 84/89	£75¼	......
Craig & Rose £1	£11¼	......	Fin. 13% 97/02	£80½	......
Fife Forge	58	......	Alliance Gas	75	......
Finlay Pkg. 5p	22	......	Arnott	250	......
Graig Ship. £1	£21	+½	Carroll (P.J.)	85	−1
Higsons Brew	73	......	Concrete Prods.	94	......
Holt (Jos) 25p	435	+10	Heiton (Hldgs.)	27	......
I.O.M. Stm. £1	158	......	Ins. Corp.	395	......
Pearce (C. H.)	965	......	Irish Ropes	53	......
Peel Hldgs.	100	......	Jacob	47xd	......
Sheff. Refrshmt	103	−4	T.M.G.	23	......
Sindall (Wm.)	170	......	Unidare	88	......

OPTIONS

3-month Call Rates

Eagle Star	22	R.H.M.	5	Premier	10
F.N.F.C.	3½	Rank Org. Ord.	18	Shell	34
Gen. Accident	30	Reed Intnl.	20	Tricentrol	30
Gen. Electric	60	Sears	5	Ultramar	44
Glaxo	28	Tesco	5½		
Grand Met.	14	Thorn EMI	30	Mines	
G.U.S. 'A'	44	Trust Houses	18	Charter Cons.	21
Guardian	32	Tube Invest.	18	Cons. Gold	45
G.K.N.	16	Turner & Newall.	10	Lonrho	9
Hawker Sidd	25	Unilever	50	Rio T. Zinc	45

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 28

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £500 per annum for each security

FINANCIAL TIMES
Saturday April 25 1981

WOMEN OF THE WEEK

The time loyalty snapped

BY NICK GARNETT

FOR THE first time in her life, Lesley Waine became a foot soldier this week.

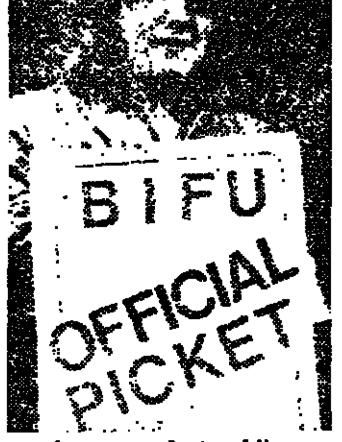
Like several thousand other members of the TUC-affiliated Banking, Insurance and Finance Union, many of them women, the 23-year-old cashier temporarily broke the strong bond of loyalty to local branch management and went on strike for a day.

In an industry with no tradition of union aggression, normally good staff relations and a large proportion of very young workers naive about the realities of management-union power it has been a strange experience to be on a picket line.

The great majority of the banks' 230,000 staff are working normally and the non-TUC Clearing Bank Union has accepted the 10 per cent pay offer. This is now being paid into salaries but for Lesley and her union the struggle for a higher offer goes on.

"We don't want to hurt customers but it is the only thing we can do," she says. "The banks have still made big profits. When there's pay policy they always say they would like to give us more but can't. I think some of the bank circulars have been threatening but the customers have been marvellous."

She is only dimly aware of the workings of her own union executive, the way the banks have reached operational decisions in the dispute and the possible consequences of the strikes on the industry and its pay bargaining arrangements.



A woman foot soldier
The great majority of staff are working

Her CBU and non-union colleagues crossed her picket line but she says that this will not affect those friendships and they will still go together to the coffee bar across the road for lunch.

Lesley lives in Dagenham with her parents. As with a growing number of clerical bank staff she has family members in manual unions—her father is a lathe operator.

She likes her job and her local branch managers but unlike most young clerical staff she deliberately decided to join BIFU. She thinks that for most bank workers their choice of BIFU or the CBU is accidental.

With five good "O" levels, six years' service in the bank but no bank exams, Lesley is doing well. As a relative senior in the second of the four clerical grades she will earn—once the 10 per cent is implemented—£4,300 basic salary, together with £1,261 of territorial allowances.

She will receive a Christmas bonus worth 2.5 per cent of basic salary and a lump sum profit sharing bonus of perhaps £150 early next year. She receives an interest-free loan for her rail ticket but she is much too young to be eligible for a bank mortgage.

Lesley thinks she has a good chance of moving soon into grade 3 as a cashier in charge of a group of tills. The minimum basic salary for that grade, with the 10 per cent added is £4,604.

She recognises however that she is doing far better than many bank clerical staff. A half of all clearing bank personnel are in the bottom two grades, and some stay there.

A 20-year-old grade 2 cashier in Manchester would earn a basic £3,570 with a £234 territorial allowance when the 10 per cent is implemented. A 17-year-old grade 1 clerk working in King's Lynn where there is no territorial allowance would be earning £2,569.

Lesley will vote against the offer and in favour of more industrial action in next week's national ballot. But she does not know which way the majority of BIFU's members will turn.

Alumax withdraws from Australian smelter plan

BY OUR SYDNEY CORRESPONDENT

ALUMAX, the U.S.-Japan aluminium group, yesterday withdrew formally from the A$640m (£335m) smelter project at Lochinvar, New South Wales.

The move, which comes after months of speculation, casts considerable doubt on the project's economic viability and leaves Broken Hill Proprietary with the task of finding a new partner.

Alumax owned by Amax of the U.S. and Mitsui of Japan, was originally to have a 45 per cent stake in the smelter—with BHP holding 35 per cent and Mitsui 20 per cent—and provide management.

BHP is expected to have meetings next week with the heads of Japanese aluminium groups, including Sumitomo and Kobe.

Mr. Neville Wran, the New South Wales Premier, said that as long as the smelter project went ahead the State Government would be unperturbed, particularly if there was a greater Australian stake in it.

One possibility is that BHP will take up enough of Alumax's interest to increase its local participation to 50 per cent.

Alumax has declined to give reasons for its withdrawal, but it is understood that the project's economics—such as mounting capital costs, the Australian dollar's strength against the U.S. dollar, and the softening of the world aluminium market—forced the company to reconsider its position. This was more significant than opposition from environmentalists.

The problems were compounded by the state government's threat earlier this year—later withdrawn—to renegotiate power prices.

Alumax spent about A$5m through the consortium on purchasing land and preparing a study in the environmental impact of the project. Any new participant would probably have to repay that amount.

W. German metal sector wage talks break down

By Kevin Done in Frankfurt

WAGE NEGOTIATIONS in the West German metal working industry broke down in Hesse yesterday with bitter recriminations from management negotiators and solid resistance from union officials representing 3.7m workers.

Although the employers had considerably improved their offer and the two sides were less than one per centage point apart, the executive of IG-Metall, West Germany's largest union, took the first step towards an all-out strike in key regions.

The move came with an official declaration that attempts to reach a negotiated settlement had been exhausted in four of the five major areas—Northern Germany, North Rhine-Westphalia, Wower Saxony and Hesse.

Herr Wolfram Thiele, head of the employers' organisation Gesamtmetall, said the union's stand was "a great disappointment and worry" and threatened the country's economic recovery.

The two sides could still step back from the brink. A round of negotiations starts in Stuttgart on Tuesday concerning the 500,000 metal workers in the fifth and final region, northern Baden and Wuertemberg. A last-minute settlement there could conceivably produce a "model agreement" for other regions.

The difficult economic conditions in which the national wage round is being conducted this year were underlined yesterday with the announcement from the Krupp steel and engineering group of plans to cut 5,000 steel jobs by the end of 1982. The company aims to pare its steel workforce to 35,000 as part of its effort to cope with the worsening crisis in the European steel industry.

Robert Bosch, the Stuttgart-based motor components and electrical appliances group, said it was cutting 230 jobs from its 3,330 workforce at Reutlingen where it manufactures headlights, semi-conductors and electronic control equipment.

The wage round, which began in earnest more than three months ago, has been conducted against warnings from Bonn and the Bundesbank, the federal central bank, about the dangers of inflationary wage settlements for an already weakened economy.

Bank relaxes its guidelines on foreign exchange risk control

BY MICHAEL LAFFERTY, BANKING CORRESPONDENT

THE BANK of England has relaxed considerably its proposed guidelines on the manner that banks and other deposit-taking institutions operating in the UK should control risks on their foreign exchange exposure.

Its latest views are set out in a paper circulated to banks yesterday. It follows earlier papers on capital adequacy and bank liquidity, and is intended to form part of a "textbook" on prudential aspects of banking.

In its previous paper, issued for discussion at the end of 1979, the Bank talked of limits for individual currencies of 3½ per cent, with 10 per cent for net positions. This led to considerable criticism of the Bank. Officials are now anxious to show that it is much more flexible than might have been presumed.

● The extent of banks' exposure—for example, the extent to which they have surplus dollar assets or liabilities—in any one currency should not exceed more than 10 per cent of shareholders' funds.

● The aggregate of a bank's short (or long) positions in all currencies should not be more than 10 per cent of shareholders' funds.

The limits relate to dealing positions in currencies, and generally exclude exposure relating to fixed assets and long-term liabilities.

The Bank is emphasising that the new exposure limits, although much higher, are intended only for experienced banks. Inexperienced institutions are told to operate within "more conservative" guidelines. In general, the Bank says it will agree dealing position guidelines with each individual bank.

Another important change concerns UK branches of foreign banks. They will not normally come under UK guidelines, provided that the Bank of England is satisfied that internal controls and domestic supervision are adequate.

The Bank will require banks and licensed deposit-takers to report their exposure on a monthly basis. It wants banks and deposit-takers to admit to all occasions on which they have exceeded individual guideline limits.

Two Wedd & Owen partners 'guilty of gross misconduct'

BY CHRISTINE MOIR

THE SENIOR partner and finance partner of the now defunct firm of stockjobbers, Wedd and Owen, have been found guilty by the Stock Exchange Council of "gross misconduct" in their gilt-edged dealings.

On June 24 last year, Wedd and Owen, a specialist small gilts jobber, suddenly announced it was to cease trading and go into voluntary liquidation.

Six days later, the Stock Exchange Council said it was to start investigating allegations that stockbroker Hedderwick Stirling Grumbar had lent stock to Wedd and Owen contrary to the rules of the market. These permit only certain designated firms of "money" brokers to lend jobbers stock in order to settle bargains.

Hedderwick denied that it had lent stock for settlement. In January of this year the Council said it had been cleared of all allegations of irregular dealing with Wedd and Owen.

No mention was made that investigations were continuing into Wedd and Owen's dealing patterns. It is not normal practice for the Council to announce details of investigations until all procedures have been carried out.

Yesterday, the Council said Mr. John Spooner, Wedd and Owen's senior partner, and Mr. Edward Driscoll, the financial partner, had "admitted that their firmhad borrowed securities for the purpose of delivery in settlement of bargains otherwise than provided for" in the rules. That is, they borrowed stocks other than from the designated money brokers.

The statement did not name the firm or firms which had lent the stock.

Hedderwick had been trading in gilts up to a fortnight ago when it was due to be rescued by a merger with Quilter Hilton Goodison, the firm headed by Mr. Nicholas Goodison, the Stock Exchange chairman.

Investigative accountants uncovered irregularities in some gilts deal with Farrington Stead, a Manchester investment firm, just ahead of the rescue which was aborted. Instead, Hedderwick was hammered and is in liquidation. Its main creditor appears to be Akroyd and Smithers, one of the leading jobbers, which is owed £1.85m from Hedderwick in settlement of several gilts deals.

Gasco taking decisive move to win control of Saint Piran

BY CHRISTINE MOIR

GASCO INVESTMENTS, the master company of Mr. Jim Raper who has been severely criticised both by Department of Trade inspectors and the Takeover Panel, appears to be making the decisive move to win control of Saint Piran, the controversial tin mining and property group.

Yesterday, Gasco announced that it had approached the board of Burma Mines with a view to "possibly making an offer" for the company. At the same time, Burma made a counter-bid for Saint Piran.

Burma's key asset is a 4.37 per cent stake in Saint Piran, for which Gasco is already bidding. If Gasco won Burma, it would control just over 50 per cent of Saint Piran, since it already owns 39.81 per cent in its own right and claims to have acceptances of its bid amounting to another 7 per cent.

Gasco's determination to acquire control of Saint Piran has involved the City regulatory authorities, the Department of Trade and Members of Parliament all of which have criticised Gasco's moves on several occasions as an attempt to obtain the company at an unfairly low price.

The Takeover Panel ruled last year that Gasco must bid 85p a share for Saint Piran to comply with the Takeover Code. When Gasco refused to do so, Saint Piran's shares were suspended from trading.

The shares remained suspended for over a year until a fortnight ago when the Hongkong-based Gasco, by then the subject of a two-part Department of Trade enquiry which recommended that Saint Piran be wound up, made an offer of 50p.

This angered Mr. Tom Scrase, chairman of Burma and senior partner of Gittins, a stockbroking firm whose clients control 13 per cent of Saint Piran.

Yesterday, Mr. Scrase through Burma announced a 60p cash offer for Saint Piran, with an alternative of a four-for-one share offer.

Gasco immediately intimated that the Burma offer was unrealistic because it is conditional on Burma getting 90 per cent of Saint Piran, which it cannot do while Gasco opposes the bid.

The Takeover Panel will again be involved in the tangle. Its main concern in Gasco's bid for Burma—if that materialises—will be to see that the price paid does not reflect a special consideration for the holding in Saint Piran, higher than the 50p offer being made to other shareholders.

The Saint Piran "affair" has become a political issue because it involves the question of disclosure of interests in a company, particularly by overseas-based holders. Both the Takeover Panel and the Department of Trade inspectors believed that Mr. Raper controlled Gasco (which has never become clear) and acted in concert with it and others to build up his holding. However, the chain of evidence on ownership of Gasco has always petered out

Continued from Page 1

North Sea

Much will depend on the pricing stance of Nigeria, Libya and Algeria, countries in the Organisation of Petroleum Exporting Countries which produce high quality crude oils similar to those from the North Sea.

Nigeria said this week that she was not planning to cut prices, and Libya has indicated support for a further price increase when OPEC Ministers meet in Geneva on May 25.

Mitterrand

Continued from Page 1

less than 16 per cent in the 1974 first round.

Opinion polls, the last of which was published a week ago after a campaign centred on the economy and unemployment, have shown a decline in M. Giscard's standing although he still leads the field with 27.5 to 28 per cent.

M. Mitterrand's position has stabilised close to the 23.5 per cent level the Socialists achieved in the European election two years ago, their best performance to date.

M. Chirac and M. Marchais were still lagging behind their 20 per cent targets in the last polls.

Even if they are eliminated with the six minor candidates taking part tomorrow, their scores will be crucial both to second-round prospects and to the manoeuvring potential which each of the four main political movements will have after the election in the uneasy alliances of the centre-right and the Socialist-Communist Left.

Weather

UK TODAY

A strong northerly airstream will cover most districts, bringing wintry showers, particularly in the North, with persistent rain, sleet or snow.

London, S. and S.W. England, E. Anglia, the Midlands, Channel Isles, Wales, N.W. England, Lakes

Cloudy with rain or sleet at first, becoming brighter with wintry showers. Wind northerly, fresh or strong. Max. 9C (48F).

N. and N.E. England, E. Coast

Cloudy with occasional snow, becoming brighter but showery. Strong northerly wind with gales near coasts and hills. Max. C7 (45F).

The Borders, E. Scotland, the Highlands

Night frost and snow showers, heavy in places with bright intervals. Wind moderate or fresh. Max. 6C (43F).

W. Scotland, N. Ireland

Night frost followed by scattered wintry showers with sunny intervals. Wind northerly. Max. 7C (45F).

Outlook:

Cold and frosty with sunny intervals and wintry showers.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	15	59	Locarno	C	12	54
Algiers	S	20	68	London	C	7	45
Amsdm.	F	8	46	L. Ang.†	C	15	59
Athens	S	23	73	Luxmbg.	S	7	45
Bahrain	S	30	86	Luxor	S	44	111
Barclna.	C	13	55	Madrid	C	12	54
Belfast	Sn	1	34	Majorca	F	14	57
Belgrd.	F	18	64	Malaga	F	20	68
Berlin	F	6	43	Malta	S	21	70
Biarritz	F	14	57	M'chstr	Sn	2	36
Bmghm.	Sl	2	36	Melbne.	C	18	64
Blackpl.	R	1	34	Miami†	S	23	73
Bordx.	S	15	59	Milan	R	11	52
Boulgn.	C	8	46	Montrl.†	R	5	41
Bristol	R	6	43	Moscow	Sn	1	34
Brussels	F	9	48	Munich	C	8	46
Budpst.	C	11	52	Nairobi	C	25	77
Cairo	S	35	95	Naples	F	18	64
Cardiff	C	8	46	Nwcstl.	Sn	1	34
Cas'b'ca	F	17	63	N York†	C	12	54
Cape T.	S	21	70	Nice	R	13	55
Cologne	F	9	48	Nicosia	C	21	70
Cpnhgn.	Sn	2	36	Oporto	S	16	61
Corfu	S	22	72	Paris	S	11	52
Denver†	F	8	46	Perth	C	29	84
Dublin	C	4	39	Prague	F	6	43
Dbrvnk.	F	20	68	Rykjvk.	S	3	37
Ednbgh.	Sn	1	34	Rhodes	S	24	75
Faro	S	18	64	Rome	R	15	59
Florence	R	13	55	Salzbrg.	F	9	48
Frankft.	S	9	48	S'cisco†	R	11	52
Funchal	F	16	61	Singapr.	C	29	84
Geneva	F	10	50	Stckhm.	F	4	39
Gibrltr.	R	15	59	Strasbg.	S	11	52
Gl'sg'w	Sn	1	34	Sydney	S	29	84
G'rnsey	C	8	46	Tangier	R	14	57
Helsinki	Sn	1	34	Tel Aviv	S	26	79
H. Kong	F	27	81	Tenerife	C	14	57
Innsbrk.	F	12	54	Tokyo	S	23	73
Invrnss.	C	4	39	T'r'nto†	R	6	43
I.o.Man	R	4	39	Tunis	S	22	72
Istanbul	S	21	70	Valencia	S	19	66
Jersey	C	7	45	Venice	R	10	50
Jo'burg	F	22	72	Vienna	R	5	41
L. Plms.	C	19	66	Warsaw	F	8	46
Lisbon	S	16	61	Zurich	S	8	46

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

THE LEX COLUMN

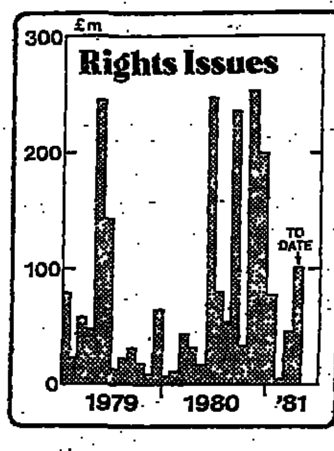
A short circuit for Electra

The equity market put in another strong showing yesterday on a large volume of trade. Substantial buying orders at the opening forced the jobbers to mark prices sharply higher once again, and it looked at one stage as though the FT 30-Share Index might move above 600, but the higher levels brought out some profit taking and the market closed only modestly higher.

Gilt-edged continue to lag, despite the rather desperate suggestions from some bond salesmen that they might be dragged up by equities. The new Government Broker, who has yet to get off the mark with a new tap stock, was tactful enough not to launch one yesterday, but there is likely to be a little supply next week in the shape of a £100m five-year bond issue by the World Bank.

The only new supply that equities have to cope with is the £42m rights issue from Rowntree Mackintosh, which is not going to stop the market in its tracks. But quite a few finance directors must be beginning to see the equity market as an easy source of new money and it would be surprising if the number of rights issues did not begin to pick up.

Index rose 3.0 to 587.3



Electra

The omens for Electra Risk Capital's £20m offer for sale could hardly have been better. Here was an innovative package offering the chance for individuals to buy into a risk-spreading portfolio of unquoted growth companes via a reputable name, with the added lure of taking advantage of recent tax concessions. Press reaction was universally welcoming, the Government gave its enthusiastic backing and even the stock market provided an encouraging backdrop by hitting successive highs over the period the offer was open. Yet applications have proved to be less than half the minimum necessary, at £3.6m, for the scheme to get off the ground and so all the cheques are to be returned. Mourning becomes Electra, however, which is now gamely working out how to make a second attempt more successful.

The offer was unique in excluding—for tax reasons—the institutions and it is likely that the two-week period, encompassing the four-day Easter break, during which the offer was open was too short for private individuals to come to a firm decision to post their cash. Indeed requests for application forms were still coming in yesterday. After all, while the institutions may be geared up for rapid decision-making many individuals need to consult their accountants or other advisers, particularly when the scheme proposed is complex and brand new. Moreover, the £10,000 minimum appears high—with few of the 319 applications exceeding this minimum—although the risk-spreading requirement means that this figure is unlikely to be brought down in future proposals.

The scheme is still at a marked disadvantage in tax terms compared with the more traditional savings alternatives. The failure of the Electra proposal may well put pressure on the Government to ease the restrictions in the new business incentive contained in the 1981 Finance Bill before it reaches the Statute Book. If the £10,000 initial investment were to become tax-deductible, Electra would probably be grateful for the £150,000 wasted expenditure of the past fortnight, since it would give it a chance of staying ahead of the rush second time around.

Stock lending

Two weeks after the collapse of brokers Hedderwick Stirling Grumbar, news emerged yesterday of further awkward problems at the Stock Exchange with the censuring of two partners of Wedd and Owen, the former gilt-edged jobbing firm which ceased trading last June. In January Hedderwick faced a secret investigation by the Stock Exchange into allegations that the firm's gilt-edged department had lent stock to Wedd and Owen in breach of Stock Exchange regulations. In fact Hedderwick was cleared, but now Wedd and Owen have admitted borrowing stock in an unauthorised manner, though yesterday's announcement did not specify from whom the gilts were borrowed.

The borrowing of stock by jobbers is a routine practice which is very closely controlled by the Bank of England as well as the Stock Exchange. Just six stock market firms are authorised to act as so-called "money brokers"—they are Cazenove, Laurie Milbank, Sheppards and Chase, James Capel, Rowe and Pitman, and Hoare Govett. The stock is borrowed from big institutional investors so that the jobbers can complete bargains; the vast bulk consists of gilt-edged, though in busy times there can also be significant transactions in equities.

The reason the Bank of England is concerned with the policing of these stock borrowing arrangements is that if such deals enable the jobbers to run large bear positions there can be significant money supply implications. So the authorised money brokers have to make monthly returns in the same way as banks. But the Bank relies largely on the Stock Exchange to ensure that there is no unauthorised activity.

Why a jobbing firm should wish to borrow in breach of the rules is a matter for conjecture. But apparently it is normal practice for the money brokers to require collateral and a 5 per cent cash margin to be deposited in respect of borrowed stock.

Gasco

Now that the Department of Trade has washed its hands of the Saint Piran affair, the battle over the carcass seems to be coming to a climax. The two protagonists are Gasco, which claims to own 40 per cent of the company and to have received acceptances of 7 per cent for its 50p offer, and Burma Mines, which claims control of 17.4 per cent. At the moment Gasgo appears within a whisker of taking formal control but this has not prevented Burma launching a rival 60p cash bid. It would be a unique feat to catch up from so far behind. To add to the confusion, Gasco has announced it is considering making an offer for Burma itself.

The battle underlines the hollowness of the Department of Trade's talk about shareholder rights before the courts. The only way to spare the embarrassment of the UK's self-regulatory procedures at this late stage would appear to be through a reference to the Monopolies Commission.

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